



04<sup>th</sup> December, 2020

To,  
Department of Corporate Services  
BSE Limited  
P J Towers, Dalal Street  
Mumbai - 400 001.

**Sub: Submission of Annual Report for the financial year 2019-20.**


Dear Sir/Madam,

Pursuant to the provisions of Regulation 34(1) of SEBI (LODR) Regulations, 2015, please find enclosed herewith 37th Annual Report of the Company for the financial year 2019-20. We request you to take on record the above said report and disseminate the same on the website of stock exchange.

Thanking you,

Yours truly,

**FOR SAYAJI HOTELS LIMITED**

  
**AMIT SARRAF**  
**COMPANY SECRETARY**

**37<sup>th</sup>**  
**Annual**  
**Report**  

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**2019-20**



**SAYAJI HOTELS LIMITED**



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<b>Date</b>	: 27 <sup>th</sup> December, 2020
<b>Day</b>	: Sunday
<b>Time</b>	: 11.00 A.M.
<b>Venue</b>	: Deemed to be at Registered Office: F1 C2 in Siva Vel Apartment, No.2, Alagappa Nagar, Zamin Pallavaram, Chennai-600117 Tamil Nadu
<b>Book Closure Date</b>	: From 16 <sup>th</sup> December, 2020 to 17 <sup>th</sup> December, 2020 (both days inclusive)

## NOTICE

**NOTICE** is hereby given that the **37<sup>th</sup> Annual General Meeting** of the Members of **Sayaji Hotels Limited** will be held on **Sunday the 27<sup>th</sup> Day of December, 2020 at 11.00 A.M.** through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) The Standalone Financial Statements of the Company for the year ended on March 31, 2020, containing the audited Balance Sheet, the statement of change in the equity, Profit and Loss and Cash Flow and report of the Board and Auditors thereon on that date.
  - (b) The Consolidated Financial Statements of the Company for the year ended on March 31, 2020, containing the audited Balance Sheet, the statement of change in the equity Profit and Loss and Cash Flow and report of the Auditors there on that date.
2. To appoint Director in place of **Mr. Raof Razak Dhanani (DIN- 00174654)**, who liable to retire by rotation and, being eligible, seeks re-appointment.

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Mrs. Isha Garg (DIN 06803278) who was appointed as an Additional Director of the Company in the category of Independent and Women Director upon the recommendation and approval of the Nomination and Remuneration Committee by the Board with effect from 27th August 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Women Director of the Company.”

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Mrs. Isha Garg who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from the date of her appointment i.e. 27th August, 2020 till 26<sup>th</sup> August, 2025 be and is hereby approved.

4. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of sections 196, 197 and 203, read with the Schedule V and (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for /the time being in force) and all other applicable provisions of the Companies Act, 2013 and as per Articles of Association of the Company, upon the approval of the Nomination

and Remuneration Committee and the Board of directors of the Company, the approval of members of the Company be and is hereby accorded for the re-appointment of Mrs. Suchitra Dhanani (DIN- 00712187) as the Whole Time Director of the Company for a further term of 3 years with effect from 06.02.2020 to 05.02.2023, on the following terms and conditions with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time as may be mutually agreed between the Board of Directors and Mrs. Suchitra Dhanani -

**Remuneration:**

**1. Salary:** Rs. 260738/- per month (with the Annual Increment as may be decided by the Board of directors on the 1st April of every year)

**2. Variable pay:** variable pay as may be provided by the Company as per the policy.

**3. Commission:** based on the net profits of the Company computed in the manner laid down u/s 197 of the Companies Act, 2013 such commission shall be such percentage of the net profit and such amount as the Board of Directors of the Company may determine keeping in view the performance of the Company in each financial year.

**4. Perquisites and Allowances:** Which may be paid under the following categories as may be determined by the Board of Directors upon the approval of the Nomination and Remuneration Committee of the Company from time to time, however, the perquisites and allowance shall be part and parcel of the Salary only as mention in point no. 1:

- a. House Rent Allowances
- b. Special allowance
- c. Leave Travel allowance
- d. CCA
- e. Annual club maintenance fees
- f. Payment of statutory contribution toward PF, ESIC as may be applicable
- g. Other allowance.
- h. Conveyance allowance
- i. Gratuity

**“RESOLVED FURTHER THAT** in case of in absence or inadequacy of net profit in any financial year, the Company shall pay the above said remuneration by way of salary, perquisites, dearness allowance and any other allowances as calculated under the provisions of the Income Tax Act and the rules made there under and as per part II of schedule V of Companies Act, 2013 as the minimum remuneration subject to the maximum of Rs. 5, 00,000 p.m. as may be decided by the Board from time to time.

**RESOLVED FURTHER THAT** the whole time Director shall not be entitled for any sitting fee for attending any meeting of the Board of Directors or a committee thereof, there shall be clear relation of the Company with Mrs. Suchitra Dhanani as the employer Vs Employee for all the purposes and her appointment may be terminated by either side with an advance notice of six months from either side or pay in lieu thereof, however the Board may waive the notice period at its sole discretion. However, if the Company take action to terminate her appointment she will be entitled to claim for loss of office as per provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorised with liberty and powers to the Board of Directors to increase, reduce, alter or vary the terms and conditions of remuneration in such manner as the Board may deem fit within the limit specified as aforesaid from time to time

5. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as a **Special Resolution.**

**“RESOLVED THAT** in accordance with Regulation 24 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and the provisions of section 188 any other applicable provision of the Companies Act, 2013, the rules thereunder, including any statutory modifications and amendments to each of the foregoing, and subject to the Memorandum and Articles of Association of the Company, the consent, approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall include any committee of directors constituted by the Board) to sell or transfer or otherwise dispose of its entire investment of the 68,93,998 (Sixty Eight Lakhs Ninety Three Thousand Nine Hundred Ninety Eight) Equity Shares of Rs 10/- held by the Company in Malwa Hospitality Pvt. Ltd. (a subsidiary of the Company) at the total consideration of Rs. 6,89,39,980/- and at a price of Rs. 10/- per share to the existing directors, shareholders, promoters and relative of the directors as follows:

<b>S. No.</b>	<b>Name</b>	<b>Designation / Position</b>	<b>Number of Shares to be sold</b>
1.	Mrs. Suchitra Dhanani	Director	<b>68,93,998</b>
2.	Mr. Kayum Dhanani	Member	
3.	Mrs. Saba Raof Dhanani	Member	
4.	Mrs. Sadiya Raof Dhanani	Member	
5.	Mrs. Sumera Raof Dhanani	Member	
6.	Mr. Azhar Yusuf Dhanani	Member	
7.	Mr. Zuber Yusuf Dhanani	Member	
8.	Mr. Raof Razak Dhanani	Director	
9.	Ms. Sanya Dhanani	Member	
10.	Ms. Zoya Dhanani	Relative of Director	
	<b>Total</b>		<b>68,93,998</b>

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purposes of giving effect to this Resolution.”

**Corporate Office:**  
**Amber Convention Centre**  
**Bypass Rd, Near Best Price,**  
**Hare Krishna Vihar, Nipania,**  
**Indore, Madhya Pradesh - 452010**  
**Date: 03.12.2020**

**By Order of the Board**

**Amit Sarraf**  
**Company Secretary**  
**ACS 28573**

## NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 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 Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sayajihotels.com](http://www.sayajihotels.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The business set out in the Notice will be transacted through electronic remote e-voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 27.
9. Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, except Sundays between 11.00 A.M. to 6.00 P.M. up to the date of meeting.

- 10.** The Company has decided for closure of Register of Members and Share Transfer Books from 16<sup>th</sup> December, 2020 to 17<sup>th</sup> December, 2020 (both days inclusive).
- 11.** (a) Members are requested to notify immediately any change of address;
  - (i) To their Depository Participants (DPs) in respect of their electronic share accounts; and
  - (ii) To the Company to its Share Transfer Agents in respect of their physical shares Folios, if any.
- 12.** In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
- 13.** Non-resident Indian Shareholders are requested to inform Share Transfer Agents Immediately:
  - (i) Change in the residential status on return to India for permanent settlement.
  - (ii) The particulars of NRE Account with Bank in India, if not furnished earlier.
- 14.** Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer agent of the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
- 15.** Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
- 16.** The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/Investors having their depository account. The ISIN for the Equity Shares of the Company is INE318C01014. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents: Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083
- 17.** As per the provisions of the Companies Act, 2013, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-SH 13 prescribed by the Government can be obtained from the Share Transfer Agent or may be download from the website of the Ministry of Company affairs.
- 18.** Pursuant to the provisions of section 124(5) and 125 of the Companies Act, 2013, the Company is not having any amount due for transfer to the IEPF Authority of the Central Government as well as share for transfer to the IEPF Authority due to unpaid or unclaimed dividends for a continuous period of seven years.
- 19.** The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their D-mat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Link Intime India Pvt. Ltd.
- 20.** Pursuant to the requirement of SEBI (LODR) Regulation, 2015, profile of the Directors proposed for appointment/re-appointment being given in a statement containing details of the concerned Directors is attached hereto.
- 21.** The Rule 18 of the Companies (Management and Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules, 2014 allows companies to send notice of the annual general meeting, annual report and other communication through electronic mode at the registered email address of the members/ beneficiaries, keeping in view the underlying objective, Members who hold shares in physical form and desired to receive the documents in electronic mode are requested to please promptly provide their details (name, LF No., email ID) to the Registrar and Share Transfer agent of the Company.



20. E-mail addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, and will be deemed to be your registered e-mail address for serving the necessary communication/ documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members who wish to inform any updations/changes of their e-mail address, are requested to promptly update the same with their DP.
21. The annual report and other communications/documents sent electronically would also be displayed on the Company's website: <https://www.sayajihotels.com/investors/>. As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you.
22. We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, as the case may be, in the interest of the environment.
23. The Preference Shareholders (for 10,00,000 Preference Shares of Rs. 100/- each) also become eligible to exercise their voting rights in terms of provisions of Section 47 of the Companies Act, 2013 due to nonpayment of dividend for a continuous period of 2 years due to the non-availability of the sufficient profits. The Preference Shareholders shall have the same voting right in proportion to their share in the total paid up capital of the Company. Since the nominal value of the one Preference Share is Rs. 100/- therefore each vote of the Preference Shareholders for each Preference Share will be equal to 10 vote of the equity shares. Further, all the Preference Share are held by the promoters and the relative of the promoters of the Company and they have relinquished their voting rights for the interest of the equity shareholders/ Company.
24. Since the AGM will be held through VC in accordance with the Circulars, the route map is not attached to this Notice.
25. In line with the MCA Circular No. 17/2020 dated 13th, April, 2020, Notice of the AGM along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.
26. As per Regulation 40 of 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 the Company's Registrars and Transfer Agent, M/s Link Intime India Private Limited at [pranav.jade@linkintime.co.in](mailto:pranav.jade@linkintime.co.in)

### **27. Voting through electronic means**

- (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 37<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL.

### **(II) Procedure and instructions for e-voting are as follows:**

- (i) The voting period begins on 24<sup>th</sup> December, 2020 at 9.00 A.M. (IST) and ends on 26<sup>th</sup> December, 2020 at 5.00 P.M. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20<sup>th</sup> December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholder’s/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop 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 kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 (seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **3 (three) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted 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 available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### **(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@savajigroup.com](mailto:cs@savajigroup.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

III. The voting rights of shareholders shall be in proportion to their shares of the paid up share capital of the Company as on the cut-off date of 20.12.2020.

IV. Mr. Neelesh Gupta proprietor of M/s Neelesh Gupta & Co., Company Secretary, whole time in Practice (ICSI Membership No. FCS 6381) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

V. The Scrutinizer shall immediately after conclusion of the Annual General Meeting and counting the votes casted in the meeting unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than two days of conclusion of the meeting, a consolidated Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

VI. The Results shall be declared after submission of report by Scrutinizer to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sayajihotels.com](http://www.sayajihotels.com) and on the website of CDSL and communicated to the BSE Limited.

#### **INFORMATION REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT/RE-APPOINTMENT**

<b>Name and Designation of Appointee</b>	<b>Age / Qualifications</b>	<b>Expertise/ Experience</b>	<b>Date of appointment</b>	<b>No. of Other Directorship</b>	<b>No of shares held &amp; %age</b>
Raof Razak Dhanani (Managing Director)	56 Yrs. Graduate	Mr. Dhanani carries with him vast experience of the fertilizers industry. He is also looking after this Company and its other group concern since 2013.	05.11.2018	14	13,78,422 Equity Shares of the Sayaji Hotels Ltd. 7.87%
Isha Garg (Women Independent Director)	35 Yrs. i. Company Secretary ii. M.B.A. iii. B.Com.	Corporate Law	27.08.2020	1	Nil
Mrs. Suchitra Dhanani (Whole-Time Director)	55 Yrs. Bachelor's degree in Home science and qualified as Master in Social Works.	Hotel Management and Administration.	06.02.2014	9	2,36,029 Equity Shares of Rs. 10/- each (1.35%) and 125000 Preference Shares of Rs. 100/- each (12.50%)

**Corporate Office:**  
**Amber Convention Centre**  
**Bypass Rd, Near Best Price,**  
**Hare Krishna Vihar, Nipania,**  
**Indore, Madhya Pradesh - 452010**  
**Date: 03.12.2020**

**By Order of the Board**

**Amit Sarraf**  
**Company Secretary**  
**ACS 28573**

## ANNEXURE TO THE NOTICE

### (Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of Special Business)

#### Item No. 3:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Women Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed proposed that Mrs. Isha Garg (DIN 06803278) be appointed as an Independent Directors on the Board of the Company.

The appointment of Mrs. Isha Garg shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Isha Garg for the office of Director of the Company. It is further clarified that Mrs. Isha Garg is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Mrs. Isha Garg that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mrs. Isha Garg, fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations.

She is neither related to any director or KMPs of the company nor has any shareholding in the Company. Further, she is not debarred from holding office of Director by virtue of SEBI or any such authority.

Mrs. Isha Garg, is independent of the management and possesses appropriate skills, experience and knowledge. Your directors recommend to pass necessary resolution as set out in Item No. 3 as an Ordinary Resolution.

#### Item No. 4:

Mrs. Suchitra Dhanani, aged 55 yrs. is qualified as master in social work and she possess more than 30 yrs. experience in the hospitality sector. She was originally appointed on the Board on 06.02.2014 and was appointed as a Whole Time Director on 06th February, 2017 for the second term and the period of three years and her tenure expired on 05th February, 2020.

She is heading the Guest Satisfaction Index “GSI” department and Staff Grievance Department of the Company. The said departments are core department of the Company.

The Nomination and Remuneration Committee and Board consider the vast experience of Mrs. Suchitra Dhanani in the hospitality industry is very helpful and necessary for the growth of the Company and its subsidiaries therefore it is appropriate for the Company to re-appoint her as Whole-time Director of the Company for a further period of 3 years and categorized as the Key Managerial Personnel. Further, in the board meeting of the Company held on 14<sup>th</sup> November, 2019, the board reappointed Mrs. Suchitra Dhanani for a further term of 3 years starting from 06.02.2020 on a monthly remuneration of INR 260738/- per month. However, there is no increment done by the Company in the salary of Mrs. Dhanani during this year. The information to be given pursuant to the requirement of sub clause (iv) of the section II of the part II of the schedule V are as under –

I.	GENERAL INFORMATION	
1.	Nature of Industry	Hotel, Restaurant and Hospitality Industry
2.	Date of expected date of commencement of commercial production	N.A. (The Company is in existence of operations since more than 30 yrs.)

3.	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	The Company is having turnover of Rs. 21299.26 Lakhs, Net Profits after Tax Rs. (175.34) Lakhs and having Paid Up Capital of Rs. 2751.80 Lakhs as at 31st March, 2020
5.	Foreign investments or collaborators, if any	None
<b>II.</b>	<b>INFORMATION ABOUT THE APPOINTEE:</b>	
1.	Background Details	Mrs. Suchitra Dhanani, aged 55 yrs. is qualified as master in social work and she possess more than 30 yrs. experience in the hospitality sector. She is a promoter and on the Board of the Company, w.e.f 06th Feb. 2014 and functioning as the Whole-time director w.e.f. 06th Feb. 2014 till now.
2.	Recognition or awards	None
3.	Past Remuneration	INR 260738/- per month (approved by the members on 30 <sup>th</sup> September,2017)
4.	Job profile and his suitability	Mrs. Dhanani is the Whole-time Director and is responsible for day to day affairs of the Company relating to the Administration of the Guest Satisfaction Department, Staff Grievance department and planning related to the Company and her vast experience shall be helpful for the Company and its subsidiary as well.
5.	Remuneration Proposed	Rs. 260738/- per month (subject to the authority to the Company to may provide maximum remuneration of Rs. 500000/- per month in case of inadequacy/absence of the profit) as more particularly described in the resolution. The proposed remuneration is within the limit prescribed under schedule V Part II Part A
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin)	Remuneration proposed to be given is considered to be the appropriate and reasonable looking to the trend of the industry, size of the Company and profile & position of the proposed appointee.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial remuneration	Mrs. Suchitra Dhanani, being the appointee may be considered as financially interested to the extent of the managerial remuneration as may be drawn by her.  Mrs. Suchitra Dhanani is also promoter and also holding 2,36,029 equity shares of Rs. 10/- each consisting of 1.35% of the Equity paid up share capital of the Company and holding 1,25,000 Preference Shares of Rs. 100/- each consisting of 12.50% of the Preference paid up share capital of the Company

		Mr. Raof Razak Dhanani, director of the Company being the relative of the appointee, may be deemed to be interested otherwise in the above said resolution.
<b>III.</b>	<b>OTHER INFORMATION:</b>	
1.	Reasons of loss or inadequate profits	The Company is not a loss making, however, it has inadequate profits, due to higher depreciation and interest burden on the existing and upcoming projects.  Further due to the COVID-19 Pandemic and as the lockdown declared by the Govt. of India the all the hotels and restaurants units of the Company were closed for a period of more than 2 months which affects the profitability of the Company very badly.
2.	Steps taken or proposed to be taken for improvement	The Company is continuously analyzing and assessing its position and various operational and financial matrix to convert it into the profit making Company. The Company is focusing to get more property on management/operational contract to improve its profitability.  As India declares Covid-19 as a “notified disaster” it is beyond the control of the Company. We are hoping for the best to overcome from this disaster and We hope that this situation will become normal soon.
3.	Expected increase in productivity and profits in measurable terms	The profitability of the Company will be increased suitably in future period to come however the same cannot be predicted at this stage in the competitive market, falling economic conditions and further expansion projects in the hands.

The terms of remuneration, as set out in the resolution no. 4 are considered to be just, fair and reasonable by the Nomination and Remuneration Committee and are in accordance with the remuneration policy of the Company as well as in the Industry. Accordingly, the resolution mentioned in Item No. 4 of the notice is being proposed for approval accordingly.

Mrs. Dhanani, being the appointee may be considered as financially interested to the extent of the managerial remuneration as may be drawn by her. Mr. Raof Razak Dhanani being the relative of the proposed appointee, may be deemed to be interested otherwise in the above said resolution.

Mrs. Dhanani is also holding 2,36,029 equity shares of Rs. 10/- each consisting of 1.35% of the Equity paid up share capital of the Company and holding 1,25,000 Preference Shares of Rs. 100/- each consisting of 12.50% of the Preference paid up share capital of the Company.

**Item No. 5:**

In the previous Annual General Meeting, the members of the Company had given their consent to sell off the entire equity stake of the Company into the Malwa Hospitality Pvt. Ltd. (“MHPL”), however, the same was not done due to some unavoidable reason the approval of the member of the Company got also expired on 31<sup>st</sup> March, 2020.



The Company again want to sell its said entire stake of the MHPL i.e. 68, 93,998 Equity shares of Rs. 10/- each in its material subsidiary viz. Malwa Hospitality Private Limited. In the meeting of the Board of Directors held on 03.12.2020, it was again decided to sell entire stake of the MHPL to the Directors, Relative of Directors and Promoters of the Company at a consideration of Rs. 10/- each per shares. The valuation report of the shares of MHPL is obtained from M/s S. N. Gadiya & Co., Chartered Accountants. As per the Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no company can dispose of the investment in the shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease to exercise of control over the subsidiary without passing a special resolution in its General Meeting. Accordingly, the Board of Directors recommends the **Special Resolution set out as Item No. 5** in the Notice for approval of members, as they feel the same to be in the interest of the Company.

Mrs. Suchitra Dhanani and Mr. Raoof Razak Dhanani, Directors and their relatives may be deemed to be concerned or financially interested in the Item Nos. 5 of the accompanying notice.

**Corporate Office:**  
**Amber Convention Centre**  
**Bypass Rd, Near Best Price,**  
**Hare Krishna Vihar, Nipania,**  
**Indore, Madhya Pradesh - 452010**  
**Date: 03.12.2020**

**By Order of the Board**

**Amit Sarraf**  
**Company Secretary**  
**ACS 28573**

## REPORT OF THE BOARD OF DIRECTORS

### DEAR MEMBERS SAYAJI HOTELS LIMITED

The Board of Directors of your Company, with immense pleasure presenting the 37<sup>th</sup> Annual Report of your Company along with the Audited Balance Sheet, Statement of Profit and Loss, Statement of changes in equity and Cash Flow Statement (Standalone and Consolidated), Schedules and Notes to Accounts for the year ended March 31, 2020.

### FINANCIAL PERFORMANCE

During the year under review, on standalone basis the total revenue in the year 2020 is decreased by 3.47% (from Rs.22066.16 Lakhs in FY 19 to Rs. 21299.26 Lakhs in FY 20). The reason of decrease was the cancellation of the room and banquet bookings in the month of March 2020 due to Covid – 19 and the Government implemented Lockdown. However, the losses after Tax is also decreased by 41.98% (from Rs. (309.49) Lakhs to Rs. (179.56) Lakhs. On consolidated level the total revenue was decreased by 2.12% (from Rs. 24,971.43 Lakhs to Rs. 24,441.42 Lakhs).

Particulars	Standalone (Rs. In Lakhs)		Consolidated (Rs. In Lakhs)	
	Current Financial Year 31.03.2020	Previous Financial Year 31.03.2019	Current Financial Year 31.03.2020	Previous Financial Year 31.03.2019
Revenue from Operations	20969.43	21824.54	24006.46	24441.09
Other Income	329.83	241.62	434.96	530.34
Profit/(loss) before Depreciation, Finance, costs , Exceptional items and tax expense	5156.97	3783.98	6219.73	4688.20
Less: Depreciation/Amortization/Impairment	2880.51	2001.31	3419.94	2439.64
Profit/(Loss) before Finance cost, Exceptional items and Tax Expense	2276.46	1782.67	2799.79	2248.56
Less: Finance Costs	2183.74	1591.45	2973.75	1875.04
Profit/(loss) before Exceptional items and Tax Expense	92.72	191.22	(173.96)	373.52
Add/(less):Exceptional items	(469.40)	(184.89)	(469.40)	(184.89)
Profit /(Loss) before Tax Expense and Share of Profit/(Loss) of the Associates	(376.68)	6.33	(643.36)	188.63
Share of Profit/(Loss) of the Associates	-	-	(1460.51)	(1232.91)
Profit /(Loss) before Tax Expense	(376.68)	6.33	(2103.87)	(1,044.28)
Less: Tax Expense Current & Deferred	197.12	315.82	(189.26)	284.17
Profit/ (loss) for the year (1)	(179.56)	(309.49)	(1914.61)	(1328.45)
Total Comprehensive Income/(loss)(2)	4.22	20.03	(32.02)	21.86

Total (1+2)	175.34	(289.46)	(1946.63)	(1306.59)
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## **DIVIDEND**

In view of the prolonged lockdown and consequent travel restrictions to avoid spread of COVID – 19 pandemic imposed by the Government of India as well as other Countries globally all business segment was severally impacted. In this unforeseen and uncertain times, it is difficult to predict when business conditions will normalize. Therefore, in order to conserve cash and ensure/liquidity for the operations in the coming years, the Board of Directors decided not to recommend any dividend to the Shareholders for the Financial Year 2019-20.

## **TRANSFER TO RESERVES**

During the year under review Rs. (179.56 Lakhs) are proposed to be carried in the financial statements under the head of the reserves and surplus (Previous year Rs. (309.49 Lakhs)).

## **CAPITAL STRUCTURE**

### **(a) Authorized Share Capital**

The authorized share capital of the Company is Rs. 40,00,00,000 divided into 3, 00, 00,000 (Three Crore) Equity Shares of Rs. 10/- each and 10, 00,000 (Ten Lakhs) Preference shares of Rs. 100/- Each.

### **(b) Paid Up Share Capital**

The Paid up equity share capital is Rs. 17,51,80,000 divided into 1,75,18,000 Equity shares of 10/- each and the Preference share capital is Rs. 10,00,00,000 divided into 10,00,000 Preference shares of Rs. 100/- each total Rs 27,51,80,000.

During the year under review, the Company has not issued shares with differential voting right nor granted stock option not sweat equity. Further the Company not issued any debenture bonds and any non-convertible securities.

The Company's equity shares are listed with the BSE Ltd. and available for trading at the platform of BSE Ltd.

## **FINANCE**

The Cash and cash equivalent as at 31st March, 2020 was Rs. 365.78 Lakhs. The Company continuously trying to improve the cash flow by applying the various techniques as lease instead of buying of the property, improving inventory management, improvement in debtors ageing and encouragement to electronic payments etc.

## **DEPOSITS**

In terms of the provisions of Sections 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits by Companies) Rules, 2014, your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## **LOAN FROM DIRECTORS**

During the year under review the Company has received the declarations pursuant to Rule 2(C) (viii) of the Companies (Acceptance of Deposit) Rules, 2014 for the receipt of the unsecured loans from Shri Raof Razak Dhanani director of the Company. The Company has obtained a declaration from him that the amount provided to the company is not from borrowing sources and exempted from the deposit Rules as such.

## **REVISION IN FINANCIAL STATEMENTS OR BOARDS' REPORT UNDER SECTION 131 (1) OF THE COMPANIES ACT, 2013**

In terms of Section 131 of the Companies Act, 2013, the Financial Statements and Board's Report are in compliance with the provisions of Section 129 or Section 134 of the Companies Act, 2013 and that no revision has been made during any of the three preceding financial years.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Your Company falls within the definition of "Infrastructure Company" as provided under Schedule VI of the Companies Act, 2013 ("Act") and is therefore exempt from the provisions of Section 186 of the Act with regard to Loans and Guarantees.

However, the Company has disclosed the full particulars of the loans given, investments made or guarantees or security provided as required under section 186 of the Companies Act, 2013 and Regulation 34(3) and Schedule V of the SEBI (LODR) Regulations, 2015 in Notes to the financial statements attached with this Board Report.

## **WITHDRAWAL OF COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT**

The entire process of amalgamation and arrangement was inordinately delayed for various reasons. Further, Barbeque Nation Hospitality Limited ('BNHL'), an Associate Company has filed its Draft Red Hiring prospectus to Securities Exchange Board of India for an Initial Public Offering ('IPO'). The Board of BNHL is of the view that the timing of the proposed IPO is crucial and any delay in the IPO process may not be appropriate. Considering all the aspects and in the interest of its associate Company, the Company decided to withdraw the above said application for the time being.

Accordingly, the application no. CA's/565 to 569/CAA/2019 made to National Company Law Tribunal ("NCLT"), Chennai Bench for Composite Scheme of amalgamation and arrangement between Sayaji Hotels Limited, Ahilya Hotels Limited, Sayaji Housekeeping Services Limited, Sayaji Hotels Management Limited, Sayaji Hotels (Pune) Limited and their respective Shareholders and Creditors in pursuance of Section 230 to 232 read with Section 52 and Section 66 of the Companies Act, 2013 be and is hereby withdrawn.

## **LOCKDOWN OF ALL UNITS OF THE COMPANY DUE TO THE COVID -19 PANDEMIC**

Due to spread of the COVID – 19 Pandemic and Government implemented lockdown from 25<sup>th</sup> March, 2020 to 31<sup>st</sup> May, 2020, all the offices and hotel units of the Company were completely closed except the certain hotel property given by the Company to the local administrative authorities for stay of the various Govt. staff and for quarantine purpose.

The Company has restarted the operation of hotels post lifting of the curbs. The hotels started operations based on the potential business availability and State & District level curbs implemented by the respective State Government and Local Administrative Authorities.

Ministry of Corporate Affairs (MCA) has introduced a new form w.e.f. 23rd March, 2020. It is a simple web-based form with minimum fields, which can be filed from anywhere. This form has been deployed as a purely confidence building measure to assess the readiness of the companies to deal with COVID-19 threat in India. Your Company has already complied with that.

#### **UPGRADATION AND ADDITIONS:**

During the year under review the Company has done renovation of 2 floors of the Pune Hotel and Indore Hotel each and upgraded its amenities and facilities.

#### **POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

Sayaji has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. –

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. Internal Complaints Committees has also been set up to redress complaints received on sexual harassment.

During the year under review, the Company has not received any complaint of sexual harassment from the women employees of the Company and no complaint was pending at the end of the year.

#### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the year under review, the company has 5 Subsidiaries Companies and 1 Associate Companies as mentioned below:

<b>S. No.</b>	<b>Name of the Subsidiaries /Associates</b>	<b>Nature</b>	<b>% of Investment</b>
1.	Sayaji Hotels Management Limited	Subsidiary	100.00 %
2.	Sayaji Hotels (Pune) Limited	Subsidiary	100.00 %
3.	Sayaji Hotels (Vadodara) Limited	Subsidiary	100.00 %
4.	Sayaji Housekeeping Services Limited	Subsidiary	100.00 %
5.	Malwa Hospitality Private Limited	Subsidiary	51.67 %
6.	Barbeque Nation Hospitality Limited (M/s Sayaji Housekeeping Services Limited (i.e. 100% Subsidiary of M/s Sayaji Hotels Limited) holds 45.10 % Stake in Barbeque Nation Hospitality Limited)	Associate	Indirect Holding through wholly owned subsidiary

The Company has sold its investment of 52,17,999 Equity Shares that represent 52.37 % held in the Aries Hotels Private Limited to the promoters and relative of the promoters of the Company.

Pursuant to Section 129 (3) of the Companies Act, 2013, a statement containing salient features, brief financial details of the Company's subsidiaries for the financial year ended on March 31, 2020 and their contribution to the consolidated financials in Form AOC – 1 is appended as **Annexure – I** to the Boards' Report and in consolidated financials forming part of this Report.

The annual accounts of the Subsidiary Companies and the related information will be made available to any Member of the Company seeking such information and are available for inspection by any Member of the Company at the Registered Office of the Company.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of your Company, Consolidated Financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of your Company at the following link <http://sayajihotels.com/investors>.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES**

In accordance with Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formulated a Corporate Social Responsibility Committee, details and composition of which has been disclosed in the Corporate Governance Report forming part of this report and also on Company's website at [www.sayajihotelshotels.com/investors](http://www.sayajihotelshotels.com/investors) and the Company has also adopted a Corporate Social Responsibility Policy in this respect, extracts of which are on the website of the Company at the following link [http://www.sayajihotels.com/data/Corporate Social Responsibility Policy.pdf](http://www.sayajihotels.com/data/Corporate%20Social%20Responsibility%20Policy.pdf).

In view of your Company having inadequate average net profits in the immediately preceding three financial years, your Company did not entail any obligation towards CSR for the Financial Year under review. Your Company is however committed to the social cause, works as a responsible corporate citizen and is making all efforts to reduce its carbon footprint. Your Company is at the forefront of Corporate Social Responsibility (CSR) and sustainability initiatives and practices.

### **INSIDER TRADING REGULATIONS**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended till date, the Code of Conduct for prevention of Insider Trading and the Code of fair disclosure, as approved by the Board from time to time, are enforced by the Company. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and this is made available on the Company's website [www.sayajihotels.com/investors](http://www.sayajihotels.com/investors).

The objective of this Code is to protect the interest of Stakeholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Officers and Designated Employees. The Company also adopts the concept of Closure of Trading Window, to prevent its Directors, Officers, Designated Employees and other employees from trading in the securities of the Company at the time when there is unpublished price sensitive information.

## BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

As at 31<sup>st</sup> March, 2020, the composition of the Board of Directors was in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI (LODR) Regulations, 2015, with an optimum combination of Executive, Non-Executive and Independent Directors.

As on the date of this Annual Report, the Board of Directors of the Company consists of 5 members. The Board consists of Managing Director, Whole time Director and 3 Independent Directors.

S.No.	Name	Date of Appointment	Designation
1.	Mr. Thottapuly Narayanan Unni	31/01/2002	Independent Director
2.	Mr. Raoof Razak Dhanani	14/11/2013	Managing Director
3.	Mrs. Suchitra Dhanani	06/02/2014	Whole Time Director
4.	Mrs. Isha Garg	27/08/2020	Independent Director
5.	Mr. Saquib Salim Agboatwala	14/02/2019	Independent Director
6.	Mr. Sandesh Khandelwal	06/02/2014	Chief Financial officer
7.	Mr. Amit Kumar Sarraf	26/09/2011	Company Secretary

## CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS

Mr. Abhay Chintaman Chaudhari (DIN: 06726836) has resigned as the Independent Director w.e.f. from 18<sup>th</sup> April, 2020 due to personal reasons. Mr. Kayum Razak Dhanani (DIN: 00987597) has also resigned w.e.f. 11<sup>th</sup> November, 2020. The Board places on record its appreciation for the valuable guidance and assistance received from both the Director during respective tenure.

## DECLARATION BY INDEPENDENT DIRECTORS

As on March 31, 2020, your Company had following Independent Directors:

1. Mr. T.N. Unni
2. Mr. Saquib Salim Agboatwala
3. Mr. Abhay Chintaman Chaudhari\*

*\*Mr. Abhay Chintaman Chaudhari resigned from the post of independent director on 18<sup>th</sup> April, 2020.*

In pursuance of Section 149(7) of the Companies Act, 2013, the Independent Directors of the Company have submitted, a declaration, under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the LODR, stating that they meet the criteria of independence

## FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board Meetings.

The details of such familiarization programme for Independent Directors are posted on the website of the Company and are available at <https://www.sayajihotels.com/data/Familiarizationprogramme> for independent directors.

## **SEPARATE MEETING OF INDEPENDENT DIRECTORS AND PERFORMANCE EVALUATION OF BOARD BY THEM**

In due compliance with the provisions of Regulation 25(3) of the LODR, a separate meeting of Independent Directors was held in the previous year 2019-20, to inter-alia consider and discuss the performance of Non-Independent Directors, the Chairman and to assess the quality, quantity and timeliness of flow of information between the management and the listed entity and the Board in order to help Board to perform its duties.

## **RETIREMENT BY ROTATION -**

In accordance with the provisions of Section 152 (6) of the Act read with Articles of Association of the Company, Mr. Raof Razak Dhanani will retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, offers himself for re-election. Your Board recommends his re-election.

Necessary resolutions in respect of re-appointment of Directors mentioned above are included in the Notice convening the ensuing AGM.

## **MEETINGS OF THE BOARD**

The Board of Directors has met four (4) times during the year and the intervening period between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the composition of the Board and its Committees and of the meetings held and attendance of the Directors at such meetings are provided in the Corporate Governance Report.

However, due to COVID-19 outbreak, the mandatory requirement of holding meetings of the Board of the companies within the prescribed interval provided in section 173 of the Companies Act, 2013 (i.e.120 days) stands extended by a period of 60 days till next two quarters i.e. till 30th September. Accordingly, as a one-time relaxation the gap between two consecutive meetings of the Board may extend to 180 days till the next two quarters, instead of 120 days as required in the Companies Act, 2013.

## **GOVERNANCE GUIDELINES FOR BOARD EFFECTIVENESS**

The Company has adopted the Governance Guidelines for Board Effectiveness which inter alia, cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director's remuneration, Code of Conduct, Board Effectiveness Review and mandates of Board Committees.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

During the year, in accordance with Companies Act, 2013, the Company has the following committee as at year ended 31st March 2020:



<b>S. No.</b>	<b>Committees of the Board</b>
1	Audit Committee
2	Corporate Social Responsibility Committee
3	Borrowing and Investment Committee
4	Nomination and Remuneration Committee
5	Stakeholders' Relationship Committee
6	Scheme Implementation Committee

The details with respect to the composition, charters and meeting held during the year, are given in detail in the 'Report on Corporate Governance', of the Company which forms part of this Annual Report and is available on the Company's website at <https://www.sayajihotels.com/investors/>

## **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The Board Governance, Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel (KMP), senior management personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at <https://www.sayajihotels.com/data/NominationAndRemunerationPolicy.pdf>. We affirm that the remuneration paid to Directors is in accordance with the remuneration policy of the Company.

## **ANNUAL EVALUATION OF THE BOARD**

Pursuant to section 134 (3) (p) of the Companies Act, 2013 and Rule 8(4) of Companies (Accounts) Rules, 2014 read with the Regulation 17(10) of the SEBI (LODR) Regulations, 2015, it is mandatory to monitor and review the Board evaluation framework, the Board has carried out peer evaluation of all Board members, annual performance evaluation of its own performance, as well as the evaluation of the working of the Committees of Board.

The Board of Directors has carried out an annual evaluation of its own performance including its committees, for the Financial Year under review. For the aforesaid purpose a structured questionnaire was prepared after taking into consideration the guidance note issued by SEBI on Board evaluation, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire board (excluding the Director being evaluated). The feedback and suggestions received from all the Directors would be discussed at the subsequent Board Meeting. The Directors expressed satisfaction with the evaluation process.

## **RISK GOVERNANCE**

The hospitality industry is prone to the impact of changes in global and domestic economies, local market conditions, hotel room supply, international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuation in interest rates, foreign exchange rates and other social factors. Demand for hotels is affected by global economic sentiments and therefore, any change impacting the other segments / industries / geographies will invariably impact the Hotel industry too.

### **1. Economic Risks**

Your Company operates in the luxury-upper upscale and upscale hotel segments in India, where consumer demand from business, leisure, MICE travelers for your Company's services is highly dependent on the general economic performance in India and globally. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in rates realized by owners and operators of hotels through macro-economic cycles. Any future slowdown in economic growth could affect business and personal discretionary spending levels and lead to a decrease in demand.

### **2. Geographical Concentration**

A significant portion of your Company's revenues are derived from hotels concentrated in a few geographical regions and any adverse developments affecting such hotels or regions could have an adverse effect on your Company's business, results of operations and financial condition. Your Company's current focus is to grow and expand the hotel portfolio in markets such as Gujarat, Rajasthan, Maharashtra and Goa.

### **3. Competition**

Your Company operates in a highly competitive industry and success is dependent on its ability to compete on various factors such as attractiveness and quality of its offerings, quality of accommodation, food and beverage, location, service levels, and amenities, together with the brand reputation of its brand licensors. Your Company may also have to compete with any new hotel properties that commence operation in the markets in which it operates or intend to commence operations.

### **4. Seasonality and Cyclicity of Business**

The hospitality industry is seasonal in nature. The period during which your Company's properties experience higher revenues vary from property to property, depending principally upon location and the guest base served. Seasonality affects leisure travel and the MICE segment (meetings, incentives, conferences and events); however, business travel is generally more consistent throughout the year.

### **5. Consumer Demand and General Economic Conditions**

Economic growth drives business and leisure travel as well as conferences, banquets and events which impact the success of your Company's operations. In addition, the hotel industry and the demand for rooms is also affected by travel advisories, worldwide health concerns, geo-political developments, natural disasters in the

region and inflation. Declines in consumer demand due to adverse general economic conditions, risks affecting or reducing travel patterns, lower consumer confidence and adverse political conditions can lower the revenues and profitability of your Company's hotels.

Your Company utilizes the brands of the brand licensor to operate and market the hotels. Your Company's hotels are generally obliged to pay periodic management fees, royalty fees, fees for technical services and reimbursements for advertising, marketing, promotion, sales and software, among others. These payments to hotel operators and brand licensors are based on a fixed percentage of the gross revenue of the hotel.

## **RISK MANAGEMENT**

The Company has established an effective Compliance Mechanism to mitigate the risk and will be reviewed by the Board periodically. The Company has adopted Risk Management Policy, pursuant to the provision of Section 134 of the Act, to identify and evaluate business risks and approach for mitigation of such risks. The Company has identified various risks and also has mitigation plans for each risk identified and reviewed periodically.

The policy framework enables the Company to identify and evaluate risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the Company at various levels including documentation and reporting. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

The Company has laid down procedures to inform Audit Committee as well as the Board of Directors about the risk assessment and management procedures and status.

## **HUMAN CAPITAL INITIATIVES**

Your Company firmly believes that employees are the vital and most valuable assets and hence has created a favorable work environment that encourages innovation and meritocracy. Your Company continues to innovate in the way human resources are managed and developed, striking a balance between business needs and individual aspirations.

Sayaji follows a performance measuring tool like Balance Score Card and Key Performance Indicators (BSC & KPI), applicable depending on their position in the organization, by which evaluation of the employees' performance is done based on their area of working. This also encourage them to work hard and efficiently at all levels of work.

Your Company focuses on building on the capability of its employees, through training and development and work life balance. During the year under review your Company has undertaken various training initiatives for nurturing and developing talent. With an undying commitment to render delightful services, your Company's employees consistently work towards delivering flawless performance and are continuing to delight customers.

The Company has total number of permanent employees on roll as at 31<sup>st</sup> March, 2020 was 1690 across all its hotel units.

## **ENVIRONMENT, HEALTH AND SAFETY**

Your Company has constantly given high priority to social concerns. Your Company continually strive towards sustainable development by trying to find a balance between the needs of our customers and responsible care for the environment.

The Company utilizes power from renewable energy sources which not only helps in reducing the carbon footprint but also in optimizing cost of power. Waste management is an integral part of Company's environment management endeavors, The Company promotes waste reduction, as well as segregation and recycling.

Safety & Security has always been the top priority for your Company and over the past few years focus on it has increased. The hotels of your Company are fully compliant with local, state and central Fire & Life Safety regulations. Security procedures and risk assessments of your hotels are reviewed & updated regularly.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has institutionalized an adequate system of internal controls, with documented procedures covering all corporate functions and hotel operating units. Internal controls 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. The internal audit process provides a positive assurance, based on the audits of operating units and corporate functions. It converges process framework, risk and control matrix and a scoring matrix, covering all critical and important functions inter-alia revenue management, hotel operations, purchase, finance, human resources and safety.

The adequate system of internal controls, which ensures that all the transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

The focus of these reviews is:

- Identification of weaknesses and improvement areas
- Compliance with defined policies and processes
- Compliance with applicable statutes
- Safeguarding tangible and intangible assets
- Managing risk environment, including operational, financial, social and regulatory risks
- Conformance to the Code of Conduct

Your Company has appointed Internal Auditors for the different units. The reports of the Internal Auditors are placed before the Audit Committee for their review and improvements.

## **POLICIES:**

The Company has adopted various policies under the Act and SEBI (LODR) Regulations, 2015:

- Corporate Social Responsibility Policy
- Familiarization Programme for Independent directors

- Material Subsidiary Policy
- Related Party Transaction Policy
- Risk Management Policy
- Remuneration and Nomination Policy
- Policy for determination of materiality
- Policy for Preservation of the Documents
- Policy for Procedure of Inquiry In Case of Leak of Unpublished Price Sensitive Information (“UPSI”)
- Code of Fair Practices and Procedures for Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

## **DIRECTORS’ RESPONSIBILITY STATEMENT**

Your Company’s Director make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013, which is to be the best of their knowledge and belief and according to the information and explanations obtained by them:

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31<sup>st</sup> 2020 and a loss of the Company for the year ended on the date
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that proper systems have been devised to ensure compliance with the provisions of all applicable laws were in place and such systems are adequate and operating effectively.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES UNDER SECTION 188(1) AND (2) OF THE COMPANIES ACT, 2013**

Prior omnibus approval is obtained for related party transactions (RPT’s) which are of a repetitive nature and entered in the Ordinary Course of Business and are at Arm’s Length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, has been placed on a yearly basis for review by the Audit Committee. All the contracts, arrangements or transactions entered into during the year under review by the Company with Related Parties were in ordinary course of business and on an arm’s length basis.

The particulars of contracts/arrangements with related parties referred to in Section 188(1) and (2) of the Companies Act, 2013, are provided in the prescribed Form AOC-2, appended as **Annexure – 2** to this Boards' Report.

In line with the requirements of the Act and the SEBI (LODR) Regulations, 2015, your Company has formulated a policy on dealing with RPTs which can be accessed on the Company's website under the link: [https://www.sayajihotels.com/data/Related\\_Party\\_Transaction\\_Policy.pdf](https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

## **DETAILS OF CHANGES IN KEY FINANCIAL RATIO & RETURN ON NET WORTH**

The key financial ratios of the Company where there has been significant change (25% or more) and change in Return on Net Worth are summarized below, pursuant to Schedule V (B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

<b>Particulars</b>	<b>2019(%)</b>	<b>2020(%)</b>	<b>% of Change</b>
Debtors Turnover Ratios	6.18	7.49	21.19%
Turnover Ratio	5.25	4.59	-12.50%
Interest Coverage Ratio	1.12	0.65	-35.33%
Current Ratios	0.74	0.80	7.89%
Debt Equity Ratios	2.30	2.74	19.17%
Operating Profit Margin	8.00	10.00	32.29%
Net Profit Margin	-1.40	0.84	-39.90%
Return on Net Worth	-4.16	-2.38	-42.62%

## **STATUTORY AUDITORS**

At the 35<sup>th</sup> Annual General Meeting (AGM) held on 28<sup>th</sup> September, 2018, the Members of the Company approved the appointment of M/s K.L. Vyas & Co., Chartered Accountants, Udaipur (Firm Registration No. 003289C) as statutory auditors of the Company for a term of 5 years from the financial year 2018-19 onwards on such terms and conditions and remuneration as may be decided by the board of the directors. Accordingly, M/s K.L. Vyas & Co, will continue as statutory auditors of the Company till the financial year 2022-23.

## **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed, M/s Neelesh Gupta & Co., Practicing Company Secretary (COP No. 6864), to undertake the Secretarial Audit of the Company for Financial Year 2019 - 2020 whose report dated 10<sup>th</sup> July, 2020, is attached separately to this report as **"Annexure 3"**.

Further, Pursuant to SEBI circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 and Regulation 24A of the Listing Regulations the Annual Secretarial Compliance Report dated 29<sup>th</sup> June, 2020 given by M/s Neelesh Gupta & Co, Practicing Company Secretary which was filed with the Stock Exchange.

The Secretarial Auditors' Report and the Annual Secretarial Compliance Report for the year under review do not contain any qualification, reservations or adverse remarks or disclaimers and hence do not call for any further information and explanation under Section 134(3) of the Companies Act, 2013.

## **CORPORATE GOVERNANCE**

Your Company has been practicing the principles of good corporate governance. Your company has adopted good governance practices and committed to maintain high standards of the corporate ethics, professionalism and transparency. In compliance with the provisions of Regulations 34(3) of the SEBI (LODR) Regulations, 2015 a separate report on Corporate Governance together with a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 is attached as '*Annexure - 4*' to this Report.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Board of Directors of your Company has adopted the Vigil Mechanism and Whistle Blower Policy in compliance with Section 177(9) and (10) of the Companies Act, 2013, and regulations specified under SEBI (LODR) Regulations, 2015. The Company has adopted a channel for receiving and redressing of employees' complaints. Under this policy, we encourage our employees to report any reporting of fraudulent financial or other information to the stakeholders, any conduct that results in violation of the Company's Code of Business Conduct. Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring. No individual in the Company has been denied access to the Audit Committee or its Chairman.

The Whistle Blower policy can be accessed on your Company's website at the link: <https://www.sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf>

## **MANAGEMENT DISCUSSION & ANALYSIS**

The Management's Discussion and Analysis Report on Company's performance – industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable, forms part of this Annual Report.

## **BUSINESS RESPONSIBILITY REPORT**

The SEBI (LODR) Regulations, 2015 mandates the inclusion of Business Responsibility Report ('BRR') as part of the Annual Report for top 1000 listed companies based on market capitalization. In Compliance with this regulation, the Company has prepared a BRR for the financial year 2019-20 which describes the initiatives taken by the Company from an environmental, social and governance perspective.

Pursuant to the provisions of Regulation 34(2)(f) of SEBI (LODR) Regulations, the Business Responsibility Report has been given separately in '*Annexure-5*' to this Report

## **CEO & CFO CERTIFICATION**

To comply with the Regulation 17(8) of SEBI (LODR) Regulations, 2015 with Part B of Schedule II, Mr. Raof Razak Dhanani, Managing Director and Mr. Sandesh Khandelwal, Chief Financial Officer have certified that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

The Certificate as stipulated in above mentioned regulation was placed before the Board in its meeting held on 30<sup>th</sup> July, 2020 and 13<sup>th</sup> November, 2020 along with the Standalone and Consolidated financial statements respectively for the financial year ended March 31, 2020 and the Board reviewed the same. The said Certificate is provided elsewhere in this Annual Report.

## **MAINTENANCE OF COST RECORDS**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements comprise the Company, its subsidiary, associate in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as applicable with effect from April 1, 2017 forming part of this Annual Report.

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

In respect of the leasehold land of Indore Hotel, Indore Development Authority has cancelled the lease deed vide order dated 20<sup>th</sup> Dec. 2017. The Company has challenged the said order before Hon'ble High Court single bench and it has decided the matter against the Company vide their order dated 16<sup>th</sup> July 2018. However, Company has filed revision writ appeal before division Bench of the Hon'ble High Court, Indore Bench. Matter is pending before the court and final hearing is awaited.

Indore development Authority has also filed an application before the competent authority under the public premises (Eviction) Act for eviction of the Company from the said premises. High Court has granted stay on passing of any order under the said eviction proceedings.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOES**

Particulars with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134 (3)(m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are annexed hereto as '*Annexure 6*' and form part of the Report.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**



The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively, have been duly followed by the Company during Financial Year 2019-20.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 2019-20 to which the financial statements relate and the date of this report.

### **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

Trading in Company’s Equity Shares is compulsorily in dematerialized mode, the Company is having connectivity with the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited, as prescribed by the Securities and Exchange Board of India. As on 31<sup>st</sup> March, 2020 about 91.44 % Equity Share Capital of the Company are held in dematerialized mode. The shares of the Company are regularly traded at BSE Limited where they are listed, which ensures the necessary liquidity to shareholders. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE318C01014.

Further your Company has also availed the demat facility for the Preference Shares holders from NSDL and 75% of Preference Shares are already converted into the demat form.

### **PAYMENT OF LISTING FEE AND CUSTODIAL FEE**

Your Company has paid Annual Listing Fee and Annual Custodial Fee for the Financial Year 2019 – 2020, to the BSE Limited and to the depository’s i.e National Securities and Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) respectively.

### **CERTIFICATE FROM PRACTISING COMPANY SECRETARY OF NON-DISQUALIFICATION OF DIRECTORS**

As required under Regulation 34 and Part C of Schedule V the SEBI (LODR) Regulations,2015, certificate dated 01<sup>st</sup> December, 2020 obtained from M/s Neelesh Gupta & Co., Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI /Ministry of Corporate Affairs or any such statutory authority, is annexed hereto in ‘*Annexure – 7*’.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3) (a), extract of the annual return as on March 31, 2020 in form MGT-9 is enclosed as ‘*Annexure – 8*’ to this report.

### **PARTICULARS OF REMUNERATION OF EMPLOYEES**

The information required under section 197(12) of the Act, read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the '*Annexure – 9*' to this report.

Further, none of the employee in the Company is there whose information is required to be given as per the provision of section 197 (12) of the Companies Act, 2013 and Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **ACKNOWLEDGEMENT AND APPRECIATION**

Your Directors place on record, their deep sense of appreciation to all Employees, support staff, for adopting to the values of the Company, viz., collaborative spirit, unrelenting dedication and expert thinking, to be an expertise led organization and the Company's Customers for letting us deliver the Company's Mission statement, to help the businesses and societies flourish.

The Board also immensely thank all the Shareholders, Investors, Vendors, Service Providers, Bankers and all other Stakeholders for their continued and consistent support to the Company during the year. Your Directors would like to make a special mention of the support extended by the various Banks, Departments of Government of India, the State Governments, the Tax Authorities, the Ministry of Commerce, Ministry of Tourism, Government of India, Ministry of Corporate Affairs, Ministry of Finance, SEBI and BSE and others and look forward to their continued support in all future endeavors.

**For and on behalf of the Board**

**Place: Indore**  
**Date: 03.12.2020**

**T. N. Unni**  
**Chairman**  
**DIN – 00079237**

**ANNEXURE “1” TO THE BOARD REPORT**

**FORM NO. AOC-1**

**PART: A**

**SUBSIDIARIES**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint  
Ventures**

<b>Sr. No.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Name of the Subsidiary</b>	<b>Malwa Hospitality Private Limited</b>	<b>Sayaji Hotels (Vadodara) Limited</b>	<b>Sayaji Housekeeping Services Limited</b>	<b>Sayaji Hotels Management Limited</b>	<b>Sayaji Hotels (Pune) Limited</b>
Date of acquiring Subsidiary	26.03.2008	10.05.2018	16.03.2016	14.05.2018	10.05.2018
Financial year ending on	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
Reporting Currency	INR (In Lakhs)	INR (In Lakhs)	INR (In Lakhs)	INR (In Lakhs)	INR (In Lakhs)
Exchange rate on the last day of financial year	N.A.	N.A.	N.A.	N.A.	N.A.
Share Capital	1334.4	5.00	637.50	5.00	5.00
Reserve & Surplus	(1104.34)	(2.91)	548.52	(1.50)	(2.91)
Total Assets	5863.15	2.68	1189.77	3.76	2.68
Total Liabilities excluding equity	5633.09	0.59	4.75	0.26	0.59
Investments	0.00	0.00	631.06	0.00	0.00
Turnover	2556.01	0.00	178.46	0.00	0.00
Profit/(Loss) before Tax	(36.89)	(2.72)	176.91	(0.83)	(2.72)
Provision for tax including deferred tax	103.51	0.00	13.19	0.22	0.00
Profit/(Loss) after Tax	(140.40)	(2.72)	163.72	(1.05)	(2.72)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00
% of shareholding	51.67	100	100	100	100

**PART B:**

**ASSOCIATE AND JOINT VENTURES**

**Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates or Joint Ventures</b>	<b>Barbeque Nation Hospitality Limited</b>
1. Latest audited Balance Sheet Date	31.03.2020
2. Date on which the Associate or Joint Venture was associated or acquired	29.03.2016
3. Shares of Associate or Joint Ventures held by the Company on the year end No.	-
4. Amount of Investment in Associate or Joint Venture	-
5. Extend of Holding ( in percentage )	-
6. Description of how there is significant influence	M/s Sayaji Housekeeping Services Ltd (i.e 100% subsidiary of M/s Sayaji Hotels Ltd) holds 45.10% stake in M/s Barbeque Nation Hospitality Ltd therefore it is an associate of M/s Sayaji Hotels Ltd
7. Reason why the associate/joint venture is not considered	N.A.
8. Net worth attributable to shareholding as per latest audited Balance Sheet	1114.70
9. Profit or Loss for the year	-3292.80
i. Considered in Consolidation	Yes
ii. Not Considered in Consolidation	-

## ANNEXURE- 2 TO BOARD REPORT

### FORM AOC-2

[(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013]

#### 1. Details of Contracts or arrangement or transactions not at arm's length basis

There were no contracts or arrangements entered into during the year ended March, 31, 2020, which were not at arm's length basis.

#### 2. Details of the material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if Any	Date of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
M/s Liberty Restaurants Private Limited Nature of Relationship- Associate Company	The Contract is for use of the "Effotel" Brand Name.	Duration of the Agreement is 15 yrs w.e.f. 01.04.2019	<p>The consideration of the using the brand name as follows:</p> <p>1. In case of Owned or Leased Properties -</p> <p>a. For First 2 years from the date of commercial opening - @ 0.50% of the total revenue.</p> <p>b. For next 3 years - @ 0.75% of the total revenue</p> <p>c. From 5th year onwards - @ 1.00% of the total revenue</p> <p>2. In case of Managed Properties</p> <p>a. For First 2 years from the date of commercial opening - @ 5% of the management fee received (excluding incentive fee on the profits)</p> <p>b. For next 3 years - @ 7.50% of the management</p>	30.05.2019	None	N.A.

			fee received (excluding incentive fee on the profits) c. From 5th year onwards - @ 10.00% of the management fee received (excluding incentive fee on the profits)			
1. Suchitra Dhanani 2. Kayum Dhanani 3. Saba Dhanani 4. Sadiya Dhanani 5. Sumera Dhanani 6. Azhar Dhanani 7. Zuber Dhanani	Selling its entire equity stake (6893998 Equity Shares) held in the Malwa Hospitality Pvt. Ltd.	One time transaction	Selling its entire equity stake (6893998 Equity Shares) held in the Malwa Hospitality Pvt at Consideration price of Rs. 10/- per share in aggregate Rs. 6,89,39,980/-	13.08.2019	None	28.09.2019
Nature of Relationship – Mrs. Suchitra Dhanani and Mr. Kayum Razak Dhanani are the promoter and Directors of the Company and rest of the persons are the relative of the directors and existing promoters of the Company.						
Mr. Jameel Sayed Taher	Nature: Holding place of profit. Appointed as a General Manager of Effotel Vadodara unit of the Company	As may be decided by the Board on time to time basis based on his	Appointed as a General Manager of Effotel Vadodara unit of the Company on Monthly remuneration of Rs.1,00,000/-	13.08.2019	None	N.A.
Nature of Relationship – Relative of Mr. Raof Razak Dhanani						

(Managing Director and Promoter)	w.e.f. May 15 <sup>th</sup> , 2019.	performance.				
Ms. Saba Dhanani  Nature of Relationship – Relative of Mr. Raof Razak Dhanani (Managing Director & Promoter)	Nature: Holding place of profit.  Appointed as Director Operations w.e.f. May 15 <sup>th</sup> , 2019.	As may be decided by the Board on time to time basis based on his performance	Appointed as Director Operations on Monthly remuneration of Rs. 1,00,000/-	13.08.2019	None	N.A.
Ms. Sumera Dhanani  Nature of Relationship – Relative of Mr. Raof Razak Dhanani (Managing Director & Promoter)	Nature: Holding place of profit.  Appointed as a Business Analyst Manager w.e.f. July 1st, 2019	As may be decided by the Board on time to time basis based on his performance	Appointed as Business Analyst Manager on Monthly remuneration of Rs. 75 ,000/-	13.08.2019	None	N.A.
Name of the Related Party- M/s Concord Enterprise  Nature of Relationship- Proprietor of the firm is relative of the Managing Director and Promoter	The Company may avail printing Services from M/s Concord Enterprise.	Continuous nature of Transaction	The Company may avail printing Services from M/s Concord Enterprise upto the Value of the services shall not exceed Rs. 50,00,000/- during any financial year.	13.08.2019	None	N.A.
Name of the Related Party- M/s Concord Printing  Nature of Relationship- Partners of the firm are the relative of the Managing	The Company may avail printing Services from M/s Concord Printing	Continuous nature of Transaction	The Company may avail printing Services from M/s Concord Printing upto The Value of the services shall not exceed Rs. 50,00,000/- during any financial year.	13.08.2019	None	N.A.

Director and Promoter						
Name of the Related Party- Barbeque Nation Hospitality Ltd.  Nature of Relationship- Associate Company	The Company has entered into an agreement with BNHL for sharing the cost/expenses for managing and running the GSI Department.	Continuous nature of Transaction	The portion of the expenses to be borne by each to be decided based on the % of the calling done for each Company on actual basis.	14.11.2019	None	N.A.
Name of the Related Party- M/s Sayaji Foods Pvt. Ltd.  Nature of Relationship- Associate Company (Mr. Azhar Dhanani Director of the Company is the promoter shareholder into both the Company. His brother Mr. Zuber Dhanani is also common shareholders in both the Companies)	The Company shall purchase the sweet, namkeens and other confectionery items from M/s Sayaji Foods Private Limited	Continuous nature of Transaction	Purchase the sweet, namkeens and other confectionery items from M/s Sayaji Foods Private Limited upto the Value of the purchase shall not exceed Rs. 1 Cr. during any financial year.	14.02.2020	None	N.A.
Name of the Related Party: M/s Sayaji Hotels Management Limited(SHML)  Nature of Relationship - Wholly Owned Subsidiary	Sub-letting the 50 Square Feet area of the lease-hold premises of the Company situated at Block No. C-3, Door No. F1(C3/F1), In Sivavel Apartment,	Duration: 11 months	Rent of Rs. 1000/- per month to be paid by SHML to the Company	14.02.2020	None	N.A.



	No. 2 Alagappa Nagar, Zamin Pallavaram Chennai, 600117 (Tamil Nadu) to SHML.					
Name of the Related Party: Sayaji Hotels (Vadodara) Limited  Nature of Relationship – Wholly Owned Subsidiary	Sub-letting the 50 Square Feet area of the lease-hold premises of the Company situated at Block No. C- 3, Door No. F1(C3/F1), In Sivavel Apartment, No. 2 Alagappa Nagar, Zamin Pallavaram Chennai, 600117 (Tamil Nadu) to SHVL	Duration: 11 months	Rent of Rs. 1000/- per month to be paid by SHVL to the Company	14.02.2020	None	N.A.
Name of the Related Party Sayaji Hotels (Pune) Limited  Nature of Relationship – Wholly Owned Subsidiary	Sub-letting the 50 Square Feet area of the lease-hold premises of the Company situated at Block No. C- 3, Door No. F1(C3/F1), In Sivavel Apartment, No. 2 Alagappa Nagar, Zamin Pallavaram Chennai, 600117 (Tamil Nadu) to SHPL	Duration: 11 months	Rent of Rs. 1000/- per month to be paid by SHPL to the Company	14.02.2020	None	N.A.
Name of the Related Party: Sayaji	Sub-letting the 50 Square Feet area of the	Duration: 11 months	Rent of Rs. 1000/- per month to be paid by SHKSL to the Company	14.02.2020	None	N.A.

Housekeeping Services Limited  Nature of Relationship – Wholly Owned Subsidiary	lease-hold premises of the Company situated at Block No. C-3, Door No. F1(C3/F1), In Sivavel Apartment, No. 2 Alagappa Nagar, Zamin Pallavaram Chennai, 600117 (Tamil Nadu) to SHKSL					
Name of the Related Party: Ahilya Hotels Limited  Nature of Relationship – Associate Company	Sub-letting the 50 Square Feet area of the lease-hold premises of the Company situated at Block No. C-3, Door No. F1(C3/F1), In Sivavel Apartment, No. 2 Alagappa Nagar, Zamin Pallavaram Chennai, 600117 (Tamil Nadu) to AHL.	Duration: 11 months	Rent of Rs. 1000/- per month to be paid by AHL to the Company	14.02.2020	None	N.A.
Name of the Related Party: M/s Sayaji Hotels & Restaurants LLP(SHRLLP)  Nature of Relationship – Mrs. Sumera Dhanani (Designated Partner) of LLP is daughter of	Sub-letting the cabin No. 1 Approx. 70 Square Feet Area of 1st Floor of the lease hold premises of the Company situated at Amber Convention Centre, Bypass Rd, Near Best Price, Hare Krishna Vihar,	11 Months from the date of execution	Sub-letting the said premises on the Monthly Rent of Rs. 1000/- to be paid by SHRLLP to the Company.	14.02.2020	None	N.A.

Mr. Raof Razak Dhanani, Managing Director of the Company	Nipania, Indore, Madhya Pradesh 452010 to SHRLLP					
Name of the Related Party: M/s Sayaji Hotels (Vadodara) Limited (SHVL)  Nature of Relationship – Mr. Raof Razak Dhanani and Mrs. Suchitra Dhanani are the common Directors in both the Company.	Sub-letting Approx. 70 Square Feet Area of 1st Floor of the lease hold premises of the Company situated at Amber Convention Centre, Bypass Rd, Near Best Price, Hare Krishna Vihar, Nipania, Indore, Madhya Pradesh 452010 to SHVL	11 Months from the date of execution	Sub-letting the said premises on a Monthly Rent of Rs. 1000/- to be paid by SHVL to the Company	14.02.2020	None	N.A.
Name of the Related Party: M/s Sayaji Hotels Management Limited (SHML)  Nature of Relationship – Mr. Raof Razak Dhanani, Mr. Kayum Dhanani and Mrs. Suchitra Dhanani are the common Directors in both the Company.	Sub-letting the Approx. 70 Square Feet Area of 1st Floor of the lease hold premises of the Company situated at Amber Convention Centre, Bypass Rd, Near Best Price, Hare Krishna Vihar, Nipania, Indore, Madhya Pradesh 452010 to SHML	11 Months from the date of execution	Sub-letting the said premises on a Monthly Rent of Rs. 1000/- to be paid by SHML to the Company	14.02.2020	None	N.A.

<p>Name of the Related Party: M/s Sayaji Hotels (Pune) Limited (SHPL)</p> <p>Nature of Relationship – Mr. Raof Razak Dhanani, Kayum Dhanani and Mrs. Suchitra Dhanani are the common Directors in both the Company.</p>	<p>Sub-letting the Approx. 70 Square Feet Area of the Pune Hotel premises of the Company to SHPL</p>	<p>11 Months from the date of execution</p>	<p>Sub-letting the said premises on Monthly Rent of Rs. 1000/- to be paid by SHPL to the Company.</p>	<p>14.02.2020</p>	<p>None</p>	<p>N.A.</p>
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## ANNEXURE '3' TO BOARD REPORT

### FORM MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020  
[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**To,  
The Members,  
SAYAJI HOTELS LIMITED  
CIN- L51100TN1982PLC124332  
F1 C2 Sivavel Apartment 2 Alagappa Nagar,  
Zamin Pallavaram Chennai TN 600117 IN**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAYAJI HOTELS LIMITED** (hereinafter called 'the company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Board of Directors are responsible for the matters of Compliances of the various provisions of the Companies Act, 2013 and other applicable laws. Our responsibility to conduct the audit of the Compliances made during the year upon test check basis. We have adopted such methods and procedure and based on our verification of the **SAYAJI HOTELS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 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) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above.

We further report that:

The Board of Directors of the Company are 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, 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.

All decisions at Board Meetings and Committee Meetings were carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We 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, standards etc.

We further report that: -

During the audit period of the company, there were instances of:

#### **1. National Company Law Tribunal (“NCLT”), Chennai Bench, in Chennai conveyed a meeting of the Equity Shareholders and Unsecured creditors**

Pursuant to the Order No. CAs /565 to 569/CAA/2019 dated 04th July, 2019, passed by the NCLT, the meeting of the Equity Shareholders of the Company and Unsecured Creditors were conveyed and held on Wednesday 14th August, 2019 at 11.00 AM (adjourned to 11:30 A.M.) for Equity Shareholders and 12.00 PM (adjourned to 12:30 P.M.) for Unsecured Creditors at Flat in Block No. C-3, Door No. F1 (C3/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai- 600117 Tamil Nadu for obtaining approval of the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited (SHL) and Ahilya Hotels Limited (AHL) and Sayaji Housekeeping Services Limited (SHKSL) and Sayaji Hotels (Pune) Limited (SHPL) and Sayaji Hotels Management Limited (SHML) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 through e-voting, postal ballot and voting at the venue and proper scrutinizer report was submitted by the Company on dated 16<sup>th</sup> August, 2019.

## **2. Related Party Transaction**

The Company has entered into some related party transactions on the terms and conditions as may be decided by the Board of Directors of the Company in their Board Meetings and all transactions are as per the section 188 of the Companies Act, 2013 and at arm's length basis.

## **3. Withdrawal of Petition No. CA's/565 TO 569/CAA/2019 from National Company Law Tribunal ("NCLT"), Chennai Bench**

The Company has in its board meeting held on 14th November, 2019 decided to withdraw an application no. CA's/565 to 569/CAA/2019 made to National Company Law Tribunal ("NCLT"), Chennai Bench for Composite Scheme of amalgamation and arrangement between Sayaji Hotels Limited, Ahilya Hotels Limited, Sayaji Housekeeping Services Limited, Sayaji Hotels Management Limited, Sayaji Hotels (Pune) Limited and their respective Shareholders and Creditors in pursuance of Section 230 to 232 read with Section 52 and Section 66 of the Companies Act, 2013.

**Date: 10/07/2020**

**Place: Indore**

**For Neelesh Gupta & Co.,  
Company Secretaries**

**CS. Neelesh Gupta  
Proprietor  
C.P. No.6846**

**UDIN: F006381B000438428**

**To,  
The Members,  
SAYAJI HOTELS LIMITED  
CIN- L51100TN1982PLC124332  
F1 C2 Sivavel Apartment 2 Alagappa Nagar,  
Zamin Pallavaram Chennai TN 600117 IN**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
  - Company has held all requisite no. of Board Meetings/audit committee meetings/ Nomination & Remuneration committee complied with the provision of Companies Act, 2013.
  - Management properly maintained minutes book and duly authenticated by the chairman.
  - Management has kept and properly entered records in all statutory books in their registered office.
  - All Request for transfer of shares received by the company during the year have been executed by registrars & share transfer agents.
  - Notice of Board meetings were duly sent to all the directors.
  - Notice of annual general meeting has been duly sent to all the members.
  - The Company has obtained secured loans from banks/ financial institutions as on 31<sup>st</sup> March, 2020 and duly entered in statutory register.
  - Company has not directly indirectly advanced any loans to any of the its Director or KMP or any other person in whom the director is interested.
  - Company has not accepted any deposit (u/s 73)
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



**Date: 10/07/2020**  
**Place: Indore**

**For Neelesh Gupta & Co.,**  
**Company Secretaries**

**CS. Neelesh Gupta**  
**Proprietor**  
**C.P. No.6846**

**AUDITOR CERTIFICATE FOR CORPORATE GOVERNANCE**

**To  
The Members,  
Sayaji Hotels Limited**

We have examined the compliance of conditions of corporate governance by Sayaji Hotels Limited, ('the Company'), for the year ended on March, 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

We have conducted our examination in accordance with the Guidance Note on reports or certificates for special purpose (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of the ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the standards on quality control (SQC) 1, quality controls for firms that perform Audits and reviews of historical financial information, and other assurance and related service engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We 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.

**For K.L. Vyas & Company,  
FRN: 003289C  
Chartered Accountants**

**Place: Indore  
Date: 04.09.2020**

**(Himanshu Sharma)  
Partner  
M. No. 402560  
UDIN: 20402560AAAFL5228**

## ANNEXURE '5' TO BOARD REPORT

### BUSINESS RESPONSIBILITY REPORT 2019-20

#### (Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

#### **SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. **Corporate Identity Number (CIN) of the company:** L51100TN1982PLC124332
2. **Name of the Company:** Sayaji Hotels Limited
3. **Registered address:** F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram Chennai TN 600117 IN
4. **Website:** <https://www.sayajihotels.com/>
5. **E-mail id:** cs@sayajigroup.com
6. **Financial Year reported:** April 1, 2019 – March 31, 2020
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Description
551	Short Term Accommodation activities
561	Restaurants and mobile food service activities

8. **List three key products / services that the company manufactures / provides (as in balance sheet):**
  1. Rooms
  2. Food and beverage services
  3. Other Services
9. **Total number of locations where business activity is undertaken by the Company:**
  - (a) Number of International Locations - Nil
  - (b) Number of National Locations – 8
10. **Markets served by the Company - Local / State / National / International:**

**National:** Pune, Raipur, Vadodara, Indore, Bhopal and Rajkot, Kolhapur, Gurugram.

#### **SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2020**

(In Lakhs)

S. No	Particulars	FY 2019-20
1.	Paid up capital (INR)	2751.80
2.	Total turnover (INR)	21,299.26
3.	Total profit after taxes	(179.56)
4.	Total spending on Corporate Social Responsibility (CSR)	-
5.	List of activities in which expenditure in 4 above has been incurred:	N.A.

## **SECTION C: OTHER DETAILS**

**1. Does the Company have any Subsidiary Company / Companies?**

Yes. The Company has 5 Subsidiaries and 1 Associates as at March 31, 2020.

**2. Do the Subsidiary company / companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

No.

**3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

No.

## **SECTION D: BR INFORMATION**

**1. Details of Director / Directors responsible for BR: Mrs. Suchitra Dhanani**

**a. Details of the Director / Directors responsible for implementation of the BR policy / policies:**

The Corporate Social Responsibility Committee of the Board of Directors is responsible for implementation of BR policies. The Members of the CSR Committee are as follows:

DIN Number	Name	Designation
00712187	Mrs. Suchita Dhanani	Whole Time Director
00079237	Mr. T. N. Unni	Independent Director
06611659	Mr. Saquib Salim Agboatwala	Independent Director

**b. Details of the BR head:**

S. No	Particulars	Details
1.	DIN Number (if applicable)	00712187
2.	Name:	Mrs. Suchitra Dhanani
3.	Designation:	Whole-Time Director
4.	Telephone Number	0731-4750000
5.	Email	<a href="mailto:Suchitra.dhanani@sayajigroup.com">Suchitra.dhanani@sayajigroup.com</a>

**2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility. These are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
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P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy conform to any national/ International standards? If Yes, Specify (50 words)*	The business responsibility Policy is in accordance with principal laid down in the NVG on Economic, Social and Environmental responsibilities of Business published by the Ministry of Corporate Affairs. The other policies are in accordance with applicable laws and confirm to industry benchmarks. The Company has principles of integrated Reporting Framework prescribed by the International Integrated Reporting council while presenting this Annual Report.								
4.	Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy tab viewed online?	The above policies can be located on this link: <a href="https://www.sayajihotels.com/investors/">https://www.sayajihotels.com/investors/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the company have in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the company have a grievance redressal mechanism related to the policy/policies to	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

	address stakeholders' grievances related to the policy/policies?								
10.	Has the company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	The implementation of the Business Responsibility Policy by the Company is being evaluated internally.							

2a. If answer to Sr. No. 1 - 10 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No	Particulars	P
1.	The Company has not understood the Principles	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	-
3.	The Company does not have financial or manpower resources available for the task	-
4.	It is planned to be done within next six months	-
5.	It is planned to be done within next one year	-
6.	Any other reason (please specify)	-

### 3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?**

The Managing Director, Chief Financial Officer and Company Secretary of the Company jointly and severally assess the BR performance of the Company on Annual Basis.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company do not publish BR or a Sustainability Report.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

- ❖ **Principle 1**  
**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

#### **QUESTIONS 1/2/3 DERIVED FROM PRINCIPLE 1**

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

No, the policy relating to ethics, bribery and corruption is extended to all stakeholders.

**2. Does it extend to the Group / Joint Ventures / Suppliers/ Contractors / NGOs / Others?**

Yes.

**3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so –**

Nil

**❖ Principle 2**

**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

**1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

As a hospitality company, the rooms, F&B experience and other services provided to guests is our product and service. We endeavor to integrate measures entailing energy and water conservation, waste management, culturally and regionally sensitive designs and interiors of our hotels, responsible purchases from local and marginalized entrepreneurs, artisans and craftsmen, and local hiring. These are implemented right from the development stage to operations of key hotels, particularly in ecological and socially sensitive regions.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:**

The consumption of energy, water and other resources in our hotels is measured per guest night, in terms of usage per consumer. The Company focuses on optimizing resource consumption to avoid wastages and minimize our environmental impact.

**i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The steps implemented to improve resource efficiency and strengthen sustainability in the development and operation of our hotels includes usage of advance laundry chemical, chiller plant optimization which increases energy efficiency, installing flameless burners and opting glass water bottles. Further, we encourage the use of building materials that are recycled and locally extracted or manufactured wherever possible. During the construction process, we ensure that waste and debris is diverted from the landfills and send to certified recycling agencies.

**ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Yes, as result of the energy conservation initiatives undertaken by the Company, there was a reduction in electricity consumption during the financial year 2019-20. Also, water resources are being conserved.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company constantly endeavors to integrate sustainable practices into its supply chain. Given the widespread network of hotels, the Company understands the importance of efficiently managing its supply chain. In this regard, the Company has revamped its sourcing and distribution model. In respect of certain materials, the traditional model of procurement by individual hotels has been replaced by a unified warehousing and distribution management system.

This initiative has helped the Company improve its supply chain efficiency and lower its carbon footprint, reduce stock inventories and optimize logistics by serving the hotel needs through regional hubs.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, Sayaji encourages its hotels to source local produce from small scale farmers, marginalized vendors, women self-help groups, micro enterprises supporting differently abled and owned by socially backward communities.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company aims to integrate sustainability in the procurement process for its products and services across its business. It encourages resource efficiency in the supply chain and its partners to adopt sustainable practices.

During the year under review, 50% of the wet waste produced by the Company was recycled and 80% of the total water consumed was recycled. All e-waste generated in our properties is given to certified recyclers.

❖ **Principle 3**  
**Businesses should promote the well-being of all employees**

1. **Please indicate the Total number of employees:**

Permanent	Contractual	Total
1690	489	2179

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

489 Casual Employees were hired during the year.

3. **Please indicate the Number of permanent women employees:**

128 Employee

4. **Please indicate the Number of permanent employees with disabilities:**

The declaration of disability is voluntary on the part of the employee. There are currently 2 employees who have declared having disabilities.



5. **Do you have an employee association that is recognized by management?**

We do not have any such registered trade association which the management recognizes as the staff representative council.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. –**

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child / forced / involuntary labour	-	-
Sexual harassment	-	-
Discriminatory employment	-	-

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Safety training is conducted at all hotels and includes training of both permanent as well as contractual workforce. Additionally, the Company strives to continuously improve the Food Safety Management System by training and optimizing capacities of people, processes and technologies within the system and ensuring implementation of ISO 22000 Food Safety Management System, Codex Standards and other applicable internal & external management systems.

S. No	Category	Safety Training Received
1.	Permanent Employees	73%
2.	Permanent Women Employees	78%
3.	Casual/Temporary/Contractual Employees	65%
4.	Employees with Disabilities	100%

❖ **Principle 4**

**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. **Has the Company mapped its internal and external stakeholders? Yes / No**

Yes, the Company has mapped its internal and external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

Yes, the Company acknowledges the important role played by the society in its growth and development and strives to discharge its responsibility towards the society at large. The Company has identified areas for inclusion of the disadvantaged, vulnerable and marginalized stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

Yes, our properties are designed in a manner that they are conducive to be used by differently abled persons. Every Hotel has a separate area which is designed to suit physically challenged persons.

❖ **Principle 5**  
**Businesses should respect and promote human rights**

1. **Does the policy of the Company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

The Policy is applicable to the Company, its Subsidiaries and other stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved?**

Sum of No of Complaints filed during Financial Year 2019-20	Sum of No of complaints pending as on end of the Financial Year 2019-20
Nil	Nil

❖ **Principle 6:**  
**Businesses should respect, protect, and make efforts to restore the environment**

1. **Does the policy relate to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company's environmental vision is extended to its partners and subsidiary companies. All hotels within the Company's portfolio prescribe and are encouraged to adhere to the Company's environmental vision.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

The Company has identified opportunities to reduce its environment footprint and therefore reduce the impact of operations on the environment. A key initiative in this regard is switching to renewable energy sources. At present, 20 % of the Company's energy consumption is from renewable sources.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes

4. **Does the Company have any project related to Clean Development Mechanism?**

**If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

No

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.**

No

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

❖ **Principle 7**

**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

- Federation of Hotels and Restaurants Association of India (FHRAI)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Y / N. If yes, specify the broad areas**

No such initiative taken by the Company.

❖ **Principle 8**

**Businesses should support inclusive growth and equitable development.**

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details there of?**

The Company do innovation and investment in products, technologies and processes that promotes the wellbeing of society. It makes efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations. But not specified program has been set up for this.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

No

**3. Have you done any impact assessment of your initiative?**

No

**4. What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.**

Since the profit for the Financial Year 2019-20 is negative hence there is no mandate for CSR expenditure.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Not applicable

**❖ Principle 9**

**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

No such complaints are pending.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Y/N/N.A./Remarks (additional information)**

NA

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No such case filed against the Company

**4. Did your Company carry out any consumer survey / consumer satisfaction trends?**

Yes, The Company's service providers have system in place to assess guest satisfaction. Survey are conducted periodically through formal and informal means to access the guest satisfaction level and experience.

## ANNEXURE '6' TO BOARD REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]

**(A) Conservation of Energy -**

- (i) The steps taken or impact on conservation of energy; - None
- (ii) The steps taken by the Company for utilizing alternate sources of energy; The Company is using solar power energy at various location.
- (iii) The capital investment on energy conservation equipment; - The Company has installed solar plant at its Raipur Hotel worth Rs. 92.66 Lakhs.

**(B) Technology Absorption**

- (i) The efforts made towards technology absorption; - No technology absorption was done by the Company during the last financial year.
- (ii) The benefit derived like product improvement, cost reduction, product development or import substitution; - N.A.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –Company has not imported any technology during the last three financial years.
  - (a) The details of technology imported; - N.A.
  - (b) The year of import; - N.A.
  - (c) Whether the technology been fully absorbed; - N.A.
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof; and - N.A.
  - (e) The expenditure incurred on Research and Development - N.A.

**(C) Foreign exchange earnings and Outgo–**

- i. Foreign Exchange Earning – 1231.75
- ii. Foreign Exchange Outgo – 11.19

## ANNEXURE '7' TO BOARD REPORT

### **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  
Sayaji Hotels Limited  
F1 C2 Sivavel Apartment 2 Alagappa Nagar,  
Zamin Pallavaram Chennai TN 600117 IN**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sayaji Hotels Limited** having **CIN-L51100TN1982PLC124332** and having registered office at **F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram, Chennai TN- 600117 IN** (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> 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.

<b>Sr No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1.	Thottappully Narayanan Unni	00079237	31/01/2002
2.	Raooof Razak Dhanani	00174654	14/11/2013
3.	Suchitra Dhanani	00712187	06/02/2014
4.	Kayum Razak Dhanani*	00987597	30/11/2012
5.	Saquib Salim Agboatwala	06611659	14/02/2019
6.	Abhay Chintaman Chaudhari*	06726836	14/02/2017

*\*Mr. Abhay Chintaman Chaudhary and Mr. Kayum Razak Dhanani has resigned from the post of independent director w.e.f. from 18<sup>th</sup> April, 2020 and 11<sup>th</sup> November, 2020 respectively.*

*\*\*Mrs. Isha garg has been appointed as an Additional Director (Independent Category) w.e.f. 27th August, 2020.*

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.

**Date: 01.12.2020**  
**Place: Indore**

**For Neelesh Gupta & Co.**  
**Company Secretaries**

**CS Neelesh Gupta**  
**Proprietor**  
**C.P. No. 6846**  
**UDIN: F006381B001369006**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The ongoing COVID-19 pandemic has brought global economic activity to almost a standstill. Owing to wide scale lockdowns in most parts of Asia, Europe and in South and North America, the service sector, particularly travel, tourism and hospitality have seen severe disruption to their businesses. With businesses staring at severe liquidity crisis, unemployment rates have risen sharply. Likewise, sharp drops in consumer spending have affected global supply chains. Governments across the world have introduced stimulus packages to support their economies which will further exasperate their fiscal deficits. There are varying opinions on the shape and the scale of economic recovery with the outlook still uncertain till a vaccine or an effective treatment for COVID-19 is found. The International Monetary Fund estimates the global economy to contract sharply by 4.9% in 2020, much worse than during the 2008-09 financial crisis. The U.S. economy is projected to shrink in 2020 by 5.9% and the Euro area by 7.5%. China is expected to grow at a modest 1.2%.

Factors that were driving the hospitality industry before pandemic COVID-19 include increasing disposable income, new travel trends, increasing online business of travelling due to increased internet penetration and internet banking, web-presence of hotels & tourism directories and many more. The ever-expanding global tourism industry was one of the major factors driving the growth of the hospitality industry before the coronavirus outbreak. The number of international tourist arrivals had risen continuously over the past decades. As per the growth projection made by the World Tourism Organization (UNWTO), the number of tourist arrivals across the globe was expected to cross 1.5 billion by 2020. Key factors affecting the market after the pandemic include the decrease in tours and travels as most of the flights are getting canceled. The government all across the globe are cancelling the foreign visits and locking down most of the area which is one of the other major reasons behind the slowing down of hospitality industry.

The global hospitality industry report is segmented based on food and beverages, travel and tourism, lodging, and recreation. Travel and tourist segments along with the recreation segment are majorly declining due to the lockdowns happening across the world. The effect of COVID-19 on hospitality industry can be observed in all the regions including North America, Europe, Asia-Pacific, and Rest of the World. In the US, many hotels had reported an increase in cancellations for both individual reservations and group events. Additionally, since the origin of the COVID-19 outbreak, many cities in the Asia Pacific were on complete lockdown, which is in turn restricting the growth of the hospitality industry.

Source - Impact of Covid-19 on Hospitality Industry, 2020 Report

### **Travel and Tourism**

#### **• International Tourism**

Confidence in global tourism remains positive yet cautious for the remainder of 2019. Weakening economic indicators, trade tensions and Brexit-related uncertainties have started to take a toll on business and consumer confidence. The UNWTO Confidence Index points to more moderate growth in arrivals during the period September-December 2019, particularly in Europe and the America.

UNWTO estimates 3 to 4 per cent growth in international arrivals globally for 2019, reflecting rising tourism demand overall, though at a slower pace. At the regional level, prospects are strongest for Asia and the Pacific, where arrivals are expected to have grown 5 to 6 per cent. Preliminary projections for 2020 suggested slightly higher growth, in line with a modest improvement in the global economic outlook.

Source: World Economic Situation and Prospects 2020



Due to COVID-19, unprecedented travel restrictions and ongoing lock-down, UNWTO predicts 20 to 30% reduction in arrival of international tourist in 2020 leading to a decrease in international tourist receipts by 300-450 billion USD. The pressing impact, of the pandemic however will be loss of millions of jobs. The next colossal threat is the liquidity crunch and dearth of working capital for the travel and tourism industry.

International tourism could decline by 60-80 per cent in 2020 due to the Covid-19 pandemic, resulting in the revenue loss of \$910 billion to \$1.2 trillion and placing millions of livelihoods at risk, According to the World Tourism Organization (UNWTO).

The global international agency said that the pandemic has caused a 22 per cent fall in international tourist arrivals during the first quarter of 2020.

**According to the United Nations specialized agency**, the global health crisis could lead to an annual tourism decline between 60 per cent and 80 per cent when compared with the 2019 figures.

Arrivals in March dropped sharply by 57 per cent following the start of a lockdown in many countries, as well as the widespread introduction of travel restrictions and the closure of airports and national borders. This translates into a loss of 67 million international arrivals and about \$80 billion in receipts (exports from tourism).

Although Asia and the Pacific shows the highest impact in relative and absolute terms (a decline of 33 million arrivals), the impact in Europe, though lower in percentage, is quite high in volume (-22 million), the agency said.

Prospects for the year have been downgraded several times since the outbreak and uncertainty continues to dominate.

Current scenarios point to possible declines in arrivals of 58 per cent to 78 per cent for the year. These depend on the speed of containment and the duration of travel restrictions and shutdown of borders. UNWTO has given three scenarios for 2020 based on possible dates for the gradual opening up of international borders.

**According to:**

**scenario 1**, there could be a decline of 58 per cent in arrivals based on the gradual opening of international borders and easing of travel restrictions in early July.

**Scenario 2** could see a 70 per cent decline if international borders are gradually opened and travel restrictions are eased in early September.

**Scenario 3** states that there could be a 78 per cent decline in arrivals based on the gradual opening of international borders and easing of travel restrictions only in early December.

Under these scenarios, the impact of the loss of demand in international travel could translate into loss of 850 million to 1.1 billion international tourists, loss of \$910 billion to \$1.2 trillion in export revenues from tourism and 100 to 120 million direct tourism jobs at risk.

This is by far the worst crisis that international tourism has faced since records began (1950). The impact will be felt to varying degrees in the different global regions and at overlapping times, with Asia and the Pacific expected to rebound first.

Source: World Tourism Organization (UNWTO)

- **India's Position**

India's GDP growth rate declined from 6.1% in 2018-19 to an estimated 4.2% in 2019-20. On the other hand, India improved its global ranking in the World Bank's Ease of Doing Business Report from 143 in 2016-17 to 63 in 2019-20. India's total foreign exchange (Forex) reserves increased to around US\$522.630 billion in July 2020.

The Government of India has introduced several bold pro-corporate initiatives in the past year, including passing of the Insolvency and Bankruptcy Code (Second Amendment) Bill, rationalization of GST rates and reduction of corporate tax rates. Measures have also been taken to improve the Ease of Doing Business index. Reduction of GST on hotel rooms with tariffs of 1,001 to 7,500 per night to 12% and those above 7,501 to 18% was another step in the right direction.

Much like the rest of the world, the Indian economy has been deeply affected by the impact of the COVID-19 pandemic with its far reaching consequences on economic and social life. The lockdown in India that was imposed on 24th March 2020 has had an unprecedented impact on the economy owing to a steep fall in demand as well as supply.

The process of lifting the lockdown in various states has since started in phases, effective 1st June 2020, guided by the decision of individual states, although during a major part of this lockdown period, hotel and flight operations were mandated to remain non-operational across India. We expect domestic travel to gradually pick up as the lockdown in various cities in India is lifted. Further, once border restrictions are lifted, we expect international travel to also progressively resume.

The IMF has projected India's economy to contract by 4.5% in 2020 followed by a 6% GDP growth for India in 2021-22, implying that a recovery of business sentiment and resultant economic growth recovery may be on the cards once a vaccine and/or treatment is in sight.

Source: IMF World Economic Outlook Update, June 2020

### **Impact of Covid-19 on Employment in India:**

The world is facing an unprecedented health and economic crisis. Tourism has been hit hard, with millions of jobs at risk in one of the most labor-intensive sectors of the economy and India is one of them.

The scene is equally challenging in India whose tourism sector may lose Rs 5 lakh Cr., while 4-5 Cr jobs could be cut due to the ongoing pandemic. According to Confederation of Indian Industry, the organized sector including branded hotels, tour operators, travel agencies will be most severely affected with an estimated loss of around Rs. 1.58 lakh crore. CII predicts the losses as – branded hotel groups about Rs. 1.10 lakh crore, online travel agencies Rs 4,312 crore, tour operators Rs 25,000 crore, adventure tour operators close to 19,000 crore and cruise tourism Rs 419 crore. Sources in the Union Ministry of Tourism said the government is considering helping the sector with soft loans, working capital and deferment on loan repayments. Home-stays, bread and breakfasts and small hotel operators and their services are also facing a major blow. As travel and hospitality is a people intensive business, the human impact will be unprecedented. As per available reports and data, a potential loss of 5-7 million jobs are estimated in India.

Domestic demand is expected to recover faster than international demand, according to the UNWTO Panel of Experts survey. The majority expects to see signs of recovery by the final quarter of 2020 but mostly in 2021.

Source: <https://economictimes.indiatimes.com/>

## COVID-19: EMBRACING THE 'NEW NORMAL'

The increasing widespread of COVID-19 has transformed the world's hustle into varying degrees of uncertainty. One of the few things that seem fairly certain is that the current downturn is fundamentally different from recessions we have seen in the past. This is not just another turn of the business cycle, but a shakeup of the world economic order. While countries and companies continue to comprehend the scale of this pandemic, it is certainly undeniable that we are staring at more permanent, structural changes to the way we live, work and play.

Seven ways in which the business landscape will shift, not only in India, but the world around. Leveraging these will certainly help navigate the economically and socially viable path to the next normal



### ***1. The shift towards localization***

The supply chain disruption has brought to light the impact of black swan events. That, along with the ongoing geopolitical environment and a globally recessionary climate is likely to lead to greater protectionism and risk aversion. This is expected to lead to more localisation of supply chains, especially of essentials and for sectors that are seen as strategically important.

### ***2. 'Digital' gets a real push***

Most companies have opted to work remotely and their employees are now 'online' and working from home. While these trends were already 'in-motion', they have now hit the fast-forward button. Even the most brick and mortar organizations have been forced to experiment with digital channels. This presents a real and immediate opportunity to drive efficiencies through digital. At the same time, this crisis has highlighted the importance of investment in enabling technologies like cloud, data and cyber security.

### ***3. 'Cash is king' for businesses***

This situation has proven, once again, that cash is king -companies that are over leveraged and 'living on the edge' are the most vulnerable. The crisis has reiterated that it is important to be financially prudent and conserve cash.

### ***4. Move towards variable cost models***

One of the biggest lessons, amongst others, is the importance of reducing overall business costs. One significant way to accomplish this is to convert fixed costs to variable costs wherever feasible. For instance, businesses will now determine what they must keep in-house, and explore outsourcing the rest so that fixed costs can be

lowered. As with other trends, this will further impact the labour force and ‘how they work’, contract manufacturing, supply chain considerations, etc.

#### ***5. Building sensing and control tower capabilities***

Alternative data can offer insights into an activity, with a shorter time lag, that traditional measures may not. This is especially pertinent for areas where information is scarce or erratic. The downside to this are also challenges such as short histories, collection systems that are prone to change etc. Nevertheless, governments and companies have realised the importance of sensing capabilities, building transparency through ‘digital control towers’, ‘digital twins’ and the ability to process both structured and unstructured data.

#### ***6. Supply chain resilience is key***

While localisation is a trend we covered earlier, individual companies will want to ensure their supply chains are resilient to remain competitive. Risks to supply chains are numerous and continuously evolving. Hence, it is imperative that resilience capabilities are developed in order to respond to repercussions of unexpected events and either quickly return to original state of business or move to a new and better state after being affected by the risk and continue business operations as efficiently as possible. Achieving this will require initiatives from both internal business as well as from the wider network.

#### ***7. Building agility***

The ongoing pandemic is forcing countries and companies to take quick actions in the absence of perfect data, while remaining customer-centric, addressing employee needs and reinforcing stable team dynamics. It has also made them ponder upon the enabling mechanisms that need to be put in place to respond to any unexpected events in the future. Going forward, policies will need to evolve faster than the market and policymakers will need to be more responsive, inclusive and agile.

**In order to cope up with the current financial situation occurred due to pandemic our Company is preparing to take the following steps:**

- Building of swift and responsive communications with investors and develop trusted assessments of short-term consequences
- Positioning to optimally capture and leverage government incentives
- Modeling of the impact and timing of the different economic scenarios on property and portfolio performance; as the financial hit will vary with segment, location and type of property
- Reallocation of the capital to affected parts of the business and securing short-term credit
- Development of weekly cash forecasts to verify enough working capital for business expenses and continuity
- Maintenance of liquidity inflows to the most affected operations by region or function

**The Company has adopted partially and looking forward to adopt fully the steps given below for the road ahead –**

#### **Adopt cloud technologies**

Remote working becomes the norm for today. Thanks to innovations and technology, we are experiencing an increase in telecommuting. As we can manage all the hotel processes without even being there. With cloud-based Property Management Systems, we are working towards the ability to control all operations at anytime from anywhere.

### **Attract millennial travelers**

According to the New York Post, Millennials are the most eager to get back out and explore the world after the coronavirus ends. Sure, they are worried about the outcome of the COVID-19 pandemic. Yet, they are more fearless and more desiring of unique experiences. As of now, they will take advantage of the crazy low prices. Millennials are expected to be the first to start travelling once the restrictions are relaxed.

Considering the contagious nature of the virus, it is crucial to keep appropriate health and safety policies in place. People will not opt for long-haul travel at least for the next one year or more, particularly because of uncertainty of job and fluidity of income as well as other retirement benefits and also due to fear factor following the pandemic and changing flying and visa protocols concerning inter-state and inter-continent travelling for a holiday. This situation applies to the domestic and overseas travelers both.

But, sooner or later, people will travel again. After spending such a long time in isolation and with tremendous anxieties during the lock-down, everyone is desperately looking for a holiday break. Accordingly, we are planning to provide:

- Holiday package of a very short duration (3 or 4 days)
- Reasonably priced package with a good value
- Exclusive destination/Lodge/home-stay, complying with the Protocol prescribed by the National Government & International Organization such as WHO and UNWTO.
- Short distance (2-4 hours' drive), absolutely motor-able, not much affected by the Pandemic so that the guests are able to rush back to Home in case of the breaking out of any extra-ordinary situations.

### **Upgrading hotel maintenance and renovation**

As it was a perfect time to catch up and improve. We had used the Lockdown period for maintenance of our Hotel units.

### **Regaining customer confidence**

This is the time for the industry to unite and work towards building consumer confidence. A dedicated effort needs to be made by all concerned stakeholders to ensure that the customer starts to come back and help the industry to get back on their feet. Food will never go out of fashion and the future trends in the food segment are going to be experimental. The only thing people would be worry of is where their food is being prepared and where they are going for consuming the same. Accordingly, we are planning and seeking the ways to implement the same.

## ANNEXURE '8' TO BOARD'S REPORT

### EXTRACT OF ANNUAL RETURN FORM NO. MGT – 9

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

S. No.	Particulars	Details
1.	CIN	L51100TN1982PLC124332
2.	Registration Date	05/04/1982
3.	Name of the Company	Sayaji Hotels Limited
4.	Category / Sub-Category of the Company	Company limited by Shares
5.	Address of the Registered Office and contact details	F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram Chennai, TN 600117 Phone : 044-29871174 Email – <a href="mailto:cs@sayajigroup.com">cs@sayajigroup.com</a>
6.	Whether listed company	Yes
7.	Name, address and contact details of Registrar and Transfer Agent, if any	Link In Time India Pvt. Ltd. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Phone : 022-49186000 Email: <a href="mailto:Pranav.jade@linkintime.co.in">Pranav.jade@linkintime.co.in</a> Name of Contact Person: Mr. Pranav Jade

#### II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products/ Services	NIC Code of the Product / Service	% to total turnover of the Company
Hotel	55101	36.25%
Restaurants and Banquets	56301	63.75%

#### III. Particulars of Subsidiaries and Associate Companies as on 31<sup>st</sup> March, 2020

S. No.	Name and address of the Company	CIN / GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1.	Sayaji Housekeeping Services Ltd.	U74900TN2016PLC124334	Wholly-Owned Subsidiary	100%	2(87)
2.	Malwa Hospitality Pvt. Ltd.	U55209MP2008PTC020502	Subsidiary	51.67%	2(87)
3.	Sayaji Hotels Management Limited	U55205TN2018PLC122667	Wholly-Owned Subsidiary	100%	2(87)
4.	Sayaji Hotels (Vadodara) Limited	U55209TN2018PLC122598	Wholly-Owned Subsidiary	100%	2(87)

5.	Sayaji Hotels (Pune) Limited	U55204TN2018PLC122599	Wholly-Owned Subsidiary	100%	2(87)
6.	Barbeque Nation Hospitality Limited	U55101KA2006PLC073031	Associate Company	45.10% (Held by its wholly owned Subsidiary M/s Sayaji Hosekeeping Services Ltd.)	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)**  
**PART-A**  
**EQUITY SHARES**

**i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	93,78,626	12,88,000	1,06,66,626	60.89	93,79,142	12,88,000	1,06,67,142	60.90	0.01
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corporate	24,55,000	0	24,55,000	14.01	24,55,000	0	24,55,000	14.01	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other....	0	0	0	0	0	0	0	0	0.00
<b>Sub-Total (A)(1):</b>	<b>1,18,33,626</b>	<b>12,88,000</b>	<b>1,31,21,626</b>	<b>74.90</b>	<b>1,18,34,142</b>	<b>12,88,000</b>	<b>1,31,22,142</b>	<b>74.91</b>	<b>0.01</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0.00
b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other...	0	0	0	0	0	0	0	0	0.00
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>1,18,33,626</b>	<b>12,88,000</b>	<b>1,31,21,626</b>	<b>74.90</b>	<b>1,18,34,142</b>	<b>12,88,000</b>	<b>1,31,22,142</b>	<b>74.91</b>	<b>0.01</b>

<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	4000	4000	0.02	0	4000	4000	0.02	0.00
b) Banks / FI	50	300	350	0.00	50	300	350	0.00	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1):</b>	<b>50</b>	<b>4300</b>	<b>4350</b>	<b>0.02</b>	<b>50</b>	<b>4300</b>	<b>4350</b>	<b>0.02</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	90,452	10373	1,00,825	0.58	92,861	2,450	95,311	0.54	(0.04)
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									0.00
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	292145	202186	494331	2.83	289823	188555	478378	2.73	(0.10)
ii) Individual Shareholders holding nominal share capital in excess of ` 1 lakh	741578	0	741578	4.23	756374	0	756374	4.32	0.09
c) Others (HUF and Non Resident (Non Repatriable))	19949	0	19949	0.11	23823	0	23823	0.13	0.02
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0.00
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0.00
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0.00
iv) NRI / OCBs	30,17,947	16,383	30,34,330	17.32	3021325	15883	3037208	17.34	0.02
v) Clearing Members/ Clearing House	1011	0	1011	0.01	414	0	414	0.00	0.00
vi) Trusts	0	0	0	0	0	0	0	0.00	0.00
vii) LLP	0	0	0	0	0	0	0	0.00	0.00
viii) Foreign Portfolio	0	0	0	0	0	0	0	0.00	0.00



Investor (Corporate)									
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
<b>Sub-Total (B)(2):</b>	<b>4163082</b>	<b>228942</b>	<b>4392024</b>	<b>25.08</b>	<b>4184620</b>	<b>206888</b>	<b>4391508</b>	<b>25.07</b>	<b>(0.01)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4163132</b>	<b>233242</b>	<b>4396374</b>	<b>25.10</b>	<b>4184670</b>	<b>211188</b>	<b>4395858</b>	<b>25.09</b>	<b>(0.01)</b>
<b>Grand Total (A+B)</b>	<b>15996758</b>	<b>1521242</b>	<b>17518000</b>	<b>100</b>	<b>1,60,18,812</b>	<b>14,99,188</b>	<b>17518000</b>	<b>100</b>	<b>0.00</b>

**ii) Shareholding of Promoters (Including Promoters Group)**

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the Year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / Encumbered total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged Encumbered to total shares	
1.	Raof Razak Dhanani	3898751	22.26	1378422	3898751	22.26	1378422	0.00
2.	Anisha Dhanani	296578	1.69	296578	296578	1.69	296578	0.00
3.	Ahilya Hotels Ltd.	2455000	14.01	0	2455000	14.01	0	0.00
4.	Late. Sajid R. Dhanani	2435511	13.90	600000	2435511	13.90	600000	0.00
5.	Suchitra Dhanani	280029	1.60	0	280029	1.60	0	0.00
6.	Kayum Dhanani	3638079	20.77	3638000	3638079	20.77	3638000	0.00
7.	Rafiqunisha Merchnat	17378	0.00	0	17378	0.00	0	0.00
8.	Azhar Yusuf Dhanani	50000	0.29	0	50001	0.29	0	0.00
9.	Shamim Sheikh	200	0.00	0	200	0.00	0	0.00
10.	Mansoor M Memon	100	0.00	0	100	0.00	0	0.00
11.	Bipasha Dhanani	50000	0.29	0	50000	0.29	0	0.00
12.	Sadiya Dhanani	0	0.00	0	515	0.00	0	0.00
	<b>Total</b>	<b>13121626</b>	<b>74.90</b>	<b>5913000</b>	<b>13122142</b>	<b>74.91</b>	<b>5913000</b>	<b>0.01</b>

**ii) Change in Promoters' (Including Promoters Group) Shareholding (Please specify, if there is no change)**

	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
<b>AT THE BEGINNING OF THE YEAR</b>	<b>13121626</b>	<b>74.90</b>	<b>13121626</b>	<b>74.91</b>
<b>1. Sadiya Dhanani</b>				
At the beginning of the year	0	0.00	0	0.00
Date – 24.02.2020 By purchase of Shares	300	0.00	300	0.00
Date – 25.02.2020 By purchase of Shares	215	0.00	515	0.00
<b>At the end of the year</b>	<b>515</b>	<b>0.00</b>	<b>515</b>	<b>0.00</b>
<b>3. Azhar Dhanani</b>				
At the beginning of the year	50000	0.29	50000	0.29
Date: Not Available By Purchase of Shares	1	0.00	50001	0.29
At the end of the year	50001	0.29	50001	0.29
<b>AT THE END OF THE YEAR</b>	<b>13122142</b>	<b>74.91</b>	<b>13122142</b>	<b>74.91</b>

iii) Shareholding Pattern of Top Ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No	For each of the 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Nasreen Yusuf Dhanani	715097	4.08	801097	4.57
2	Sana Yusuf Dhanani	716623	4.09	790623	4.51
3	Abdul Gani Sarfaraz Dhanani	748687	4.27	752187	4.29
4	Rohini S. Udar	526000	3.00	526000	3.00
5	Mahek Sarfarz Dhanani	0.00	0.00	498804	2.85
6	Shashikant Chandramohan Dubey	254850	1.45	153532	0.88
7	Ramiz Darvesh	124771	0.71	124771	0.71
8	Trans Agro India Pvt. Ltd.	76000	0.43	76000	0.43
9	Dilip Kumar Gadiya	59850	0.34	59850	0.34
10	Kavita Biyani	12157	0.07	26953	0.15

iv) Shareholding of Directors and Key Managerial Personnel

S. No.	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Raooof Razak Dhanani</b>				

	At the beginning of the year	3898751	22.26%	3898751	22.26%
	Changes During the year	-	-	-	-
	At the end of the year	3898751	22.26%	3898751	22.26%
<b>2</b>	<b>Kayum Razak Dhanani</b>				
	At the beginning of the year	3638079	20.77%	3638079	20.77%
	Changes During the year	-	-	-	-
	At the end of the year	3638079	20.77%	3638079	20.77%
<b>3</b>	<b>Suchitra Dhanani</b>				
	At the beginning of the year	280029	1.60%	280029	1.60%
	Changes During the year	-	-	-	-
	At the end of the year	280029	1.60%	280029	1.60%
<b>4</b>	<b>T. N. Unni</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>5</b>	<b>Shaquib Salim Agboatwala</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>6</b>	<b>Abhay Chintaman Chaudhari</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>7</b>	<b>Sandesh Khandelwal</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>8</b>	<b>Amit Sarraf</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-

**PART-B**  
**PREFERENCE SHARES**

**(Preference Share Capital Breakup as % of the total Paid up preference Share Capital)**

**i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	0	10,00,000	10,00,000	100	7,50,000	2,50,000	10,00,000	100	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0

<b>Sub-Total (A)(1):</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>7,50,000</b>	<b>2,50,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A) =(A)(1)+(A)(2)</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>7,50,000</b>	<b>2,50,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual Shareholders holding nominal share capital in excess of ` 1 lakh	0	0	0	0	0	0	0	0	0
<b>c) Others (specify)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members/Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) LLP	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor ( Corporate)	0	0	0	0	0	0	0	0	0

ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B)</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>7,50,000</b>	<b>2,50,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>

\*There is no Change in the preference Shareholding during the year.

## ii) Preference Shareholding of Promoters

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Preference shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Preference shares of the Company	% of Shares Pledged /encumbered to total shares	
1.	Saba Raof Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
2.	Sadiya Raof Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
3.	Azhar Yusuf Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
4.	Zuber Yusuf Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
5.	Kayum Razak Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
6.	Akanksha Sara Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
7.	Sanya Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
8.	Suchitra Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
	<b>Total</b>	<b>1000000</b>	<b>100.00</b>	<b>0.00</b>	<b>1000000</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>

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

	Preference Shareholding at the beginning of the year		Cumulative Preference Shareholding during the year	
	No. of Shares	% of total paid up Preference Shares of the Company	No. of Shares	% of total paid up Preference shares of the Company
At the beginning of the year	10,00,000	100.00	10,00,000	100.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer/ bonus/ sweat equity etc.):	0	0.00	0	0.00
At the end of the year	10,00,000	100.00	10,00,000	100.00

\*There is no Change in the preference Shareholding during the year

**iv) Shareholding Pattern of Top Ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Nil

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

S. No.	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Suchitra Dhanani</b>				
	At the beginning of the year	125000	12.50	125000	12.50
	Changes During the year	-	-	-	-
	At the end of the year	125000	12.50	125000	12.50
2	<b>Kayum Razak Dhanani</b>				
	At the beginning of the year	125000	12.50	125000	12.50
	Changes During the year	-	-	-	-
	At the end of the year	125000	12.50	125000	12.50
3	<b>Raof Razak Dhanani</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
4	<b>T. N. Unni</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
5	<b>Shaquib Salim Agboatwala</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
6	<b>Abhay Chintaman Chaudhari</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
7	<b>Sandesh Khandelwal</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-
8	<b>Amit Sarraf</b>				
	At the beginning of the year	-	-	-	-
	Changes During the year	-	-	-	-
	At the end of the year	-	-	-	-

**V. INDEBTNESS**

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. 01.04.2019</b>				

i) Principal Amount	6285.97	3703.07	0.00	9989.04
ii) Interest due but not paid	0.00	23.48	0.00	23.48
iii) Interest accrued but not due	3.92	0.00	0.00	3.92
<b>Total (i+ii+iii)</b>	<b>6289.89</b>	<b>3726.55</b>	<b>0.00</b>	<b>10016.44</b>
<b>Change in Indebtedness during the financial year i.e. 2019-20</b>				
Addition	1131	935.15	0.00	2066.15
-Reduction	1625.70	2707.51	0.00	4333.21
<b>Net Change</b>	<b>-494.70</b>	<b>-1772.36</b>	<b>0.00</b>	<b>-2267.06</b>
<b>Indebtedness at the end of the financial year i.e. 31.03.2020</b>				
i) Principal Amount	5791.27	1954.19	0.00	7745.46
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1.64	1954.19	0.00	1.64
<b>Total (i+ii+iii)</b>	<b>5792.91</b>	<b>1954.19</b>	<b>0.00</b>	<b>7747.10</b>

## VI. REMUNERATION OF DIRECTOR AND KMP

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakhs)

S. No.	Particulars of Remuneration	Mrs. Suchitra Dhanani	Mr. Raof Razak Dhanani	Total
<b>1</b>	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31.28	0.00	31.28
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
<b>2</b>	Stock Options	-	-	-
<b>3</b>	Sweat Equity	-	-	-
<b>4</b>	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify....	-	-	-
<b>5</b>	Others, please specify	-	-	-
	<b>Total</b>	<b>31.28</b>	<b>0.00</b>	<b>31.28</b>

### B. Remuneration to other Directors:

#### 1. Independent Directors

(Rs. In Lakhs)

S. No.	Particulars of Remuneration	Mr. T. N. Unni	Mr. Abhay Chaudhari	Mr. Saquib Agboatwala	Total
<b>1</b>	Fee for attending Board/Committee Meetings	0.62	0.80	0.17	1.60
<b>2</b>	Commission	-	-	-	-
<b>3</b>	Others, please specify	-	-	-	-
	<b>Total B.1</b>	<b>0.62</b>	<b>0.80</b>	<b>0.17</b>	<b>1.60</b>

## 2. Non-Executive Directors

(Rs. In Lakhs)

S. No.	Particulars of Remuneration	Mr. Kayum Razak Dhanani	Total
1	Fee for attending Board/Committee Meetings	-	-
2	Commission	-	-
3	Others, please specify	-	-
	<b>Total B.2</b>	<b>0.00</b>	<b>0.00</b>

## C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. In Lakhs)

S. No.	Particulars of Remuneration	Mr. Sandesh Khandelwal	Mr. Amit Sarraf	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24.72	12.00	36.72
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify....	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>24.72</b>	<b>12.00</b>	<b>36.72</b>

## VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES – NONE

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment / Compounding fees Imposed	AUTHORITY [RD / NCLT / COURT]	Appeal made, if any(give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTOR</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## ANNEXURE '9' TO BOARD'S REPORT

### Disclosure pursuant to Section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

**i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20;**

S. No.	Name of Director	Designation	Remuneration paid to Director in FY 2020	Median Remuneration in FY 2020	Ratio
i.	Suchitra Dhanani	Whole Time Director	31.28	1.61	19.42:1
ii.	Raof Razak Dhanani	Managing Director	-	-	-

**ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; -**

S. No.	Name	Designation	Remuneration Paid in FY2019 (In Lakhs)	Remuneration Paid in FY 2020 (In Lakhs)	Change (In Lakhs)	Change in terms of %
i.	Mrs. Suchitra Dhanani	WTD	31.46	31.28	-0.18	-0.57%
ii.	Mr. Raof R Dhanani	MD	9.67	0.00	-9.67	-100%
iii.	Mr. Sandesh Khandewal	CFO	24.72	24.72	0.00	0.00%
iii.	Mr. Amit Sarraf	CS	11.04	12.00	0.96	8.70%

**iii. The percentage increase in the median remuneration of employees in the financial year; -**

Remuneration FY 19 (In Lakhs.)	Remuneration FY 20 (In Lakhs)	Increase (In Lakhs)	%
1.51	1.61	0.10	7%

**iv. The number of permanent employees on the rolls of company;**

Name of the Company	No. of Employees on payroll (As on 31.03.2019)	No. of Employees on payroll (As on 31.03.2020)	% Change during the year
Sayaji Hotels Ltd.	1910	1690	-11.51%

**v. 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

<b>Remuneration paid to employees excluding managerial personal for FY 2019 (In Lakhs)</b>	<b>Remuneration paid to employees excluding managerial personal for FY 2020 (In Lakhs)</b>	<b>% change in remuneration paid to employees excluding managerial personal (In Lakhs)</b>	<b>Remuneration paid to managerial personal for FY 2019 In Lakhs)</b>	<b>Remuneration paid to managerial personal for FY 2020 (In Lakhs)</b>	<b>% change in remuneration paid to managerial personal</b>
5233.05	4988.50	-4.67%	76.88	68.00	-11.56%

vi. Affirmation that the remuneration is as per the remuneration policy of the Company –

The remuneration provided by the Company to the directors and employees is as per the remuneration policy of the Company.

## REPORT ON CORPORATE GOVERNANCE

### [In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]

The Directors present the Company's Report on Corporate Governance for the year ended on 31<sup>st</sup> March, 2020

#### A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- Corporate Governance has been in existence in your Company since its inception, even before it was mandated. Sayaji Hotels Limited (hereinafter referred to as "SHL" or "your Company"), observes the Corporate Governance principles and practices as key to sustainable corporate growth and long term shareholders' value creation. SHL and its Subsidiary companies, as a group values and believes in excellence in Corporate Governance as a good corporate citizen and is committed to ethical corporate practices based on conscience, openness, fairness, professionalism and accountability, for the benefit to its stakeholders and for its long term success.
- Your Company believes in maintaining the highest standards of corporate governance, not only in form but also in substance by incorporating highest levels of transparency, accountability and equity in all facets of its operations and in all its transactions with its stakeholders, including its Employees, Customers, Shareholders, Vendors, supporting agencies, Government, and society at large. The corporate governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct, Whistle Blower Policy, CSR Policy, and Code for Prohibition of Insider Trading and such other policies. We have summarized the same in this Corporate Governance Report.
- Good corporate governance is about maximizing shareholder value on a sustainable basis while ensuring fairness to all stakeholders: customers, vendor-partners, investors, employees, government and society.

*Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over the longer term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed.*

#### **SHL Corporate Governance philosophy is based on the following ideologies:**

- ❖ Ensure transparency, high degree of disclosure, and good practices in our operations;
- ❖ Openness in communication externally and internally with all stakeholders;
- ❖ Maintain high standards of clean, healthy and safe environment;
- ❖ Institutionalize Corporate Governance at all levels within the
- ❖ Company with best practices, policies and procedures;
- ❖ Act in the spirit of the law and not merely the letter of the law.

The Company is in compliance with the requirements stipulated under Regulation 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 regard to corporate governance.



## B. THE 3 TIER GOVERNANCE STRUCTURE AT SHL:

The Corporate Governance philosophy is put into practice at SHL group through the following three layers, namely:

- **Strategic Supervision** – by the Board of Directors comprising the Executive, Non-Executive Directors and Independent Directors.
- **Executive Management** – by the Corporate Management comprising of the, 2 Executive Directors and 1 Non-Executive Director and 2 Independent Director.
- **Operational Management** – by the Business Unit Heads and Unit Financial controller.

## C. GOVERNANCE POLICIES

At Sayaji, written corporate governance policies ensure that organizations are run in a transparent, ethical manner, promoting good business practices. Corporate governance policies, formulated by the board and management and made available to all stakeholders, should ideally address the Board meetings and operations:

1. Rights and equitable treatment of shareholders
2. Role and responsibilities of the board
3. Integrity and ethical behavior
4. Disclosure and transparency
5. Interests of other stakeholders

## D. BEST CORPORATE GOVERNANCE PRACTICES-

Sayaji follow best practices for corporate governance. Best practices apply equally to new corporations as they do to well-established ones. Best practices for corporate governance apply to large companies, small companies, public companies and private companies. They even apply to nonprofit organizations and other entities.

The benefits of following best practices for good corporate governance are many and the potential impact is boundless. Good corporate governance improves overall performance and promotes trust among shareholders and other stakeholders. Good corporate governance provides for sound strategic planning and better risk management. Corporations that embrace best practices for governance continually move toward long-term sustainability. Good governance prevents litigiousness and provides far-reaching legal protections for corporations.

Best practices incorporate many different aspects of board work. They entail taking a critical look at the qualities and characteristics of board of directors, who they are as people, and the way they approach governing an organization. Governance can incorporate many different practices.

1. Building a Competent Board
2. Aligning Strategies with Goals
3. Being Accountable
4. Having a High Level of Ethics and Integrity
5. Implement a risk management policy that is effective.
6. Measure performance and establish principled remuneration decisions.

## **E. BOARD OF DIRECTORS (BOARD)**

The Board determines the purpose and values of the Company. The primary role of the Board is that of trusteeship so as to protect and enhance stakeholders' value through the strategic supervision of the Company and its subsidiaries.

The Company is headed by a Board that exercises leadership, integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This is reflected in the Company's governance practices, through which it strives to maintain an active, informed and independent Board. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. It identifies key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

### **1. BOARD DIVERSITY**

The Company recognizes its obligation to maintain a Board with a diversity of Directors. The Company considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service. The Company believes that Board diversity enhances decision making capability and a diverse Board is more effective in dealing with organizational changes and less likely to suffer from group thinking. The Board has adopted the Policy on Board Diversity which sets out the approach for the diversity of the Board of Directors.

### **2. SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. The Company has adopted policy guidelines on selection criteria of Board members. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth.

As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation. In case of appointment of Independent Directors, the Board Governance, Nomination and Compensation Committee satisfies itself

about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively.

The Board Governance, Nomination and Compensation Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable Provisions of the Companies Act, 2013.

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director.

### **3. BOARD MEMBERSHIP CRITERIA**

The Board of Directors are collectively responsible for selection of a member on the Board.

The Nomination and Remuneration Committee of the Company follows a defined criterion for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include: -

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties; personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset

### **4. BOARD TRAINING AND INDUCTION:**

At the time of appointing a Director, a formal letter of appointment is given to them, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, SEBI Listing Regulations and other relevant regulations and his affirmation taken with respect to the same.

### **5. INFORMATION FLOW TO THE BOARD MEMBERS**

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present annual Strategic Plan and Operating Plans of our business to the Board for their review, inputs and approval. Likewise, our quarterly financial statements and annual financial statements are first presented to the Audit Committee and subsequently to the Board for their approval. In addition, specific cases of acquisitions, important managerial decisions, material positive/negative developments and statutory matters are presented to the respective Committees of the Board and later with the recommendation of Committees to the Board for their approval.

All statutory and other significant and material information are placed before the Board of Directors ('the Board') to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

## 6. FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments are made in the separate meetings of the Independent Directors from time to time.

Quarterly updates on relevant statutory, regulatory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. The details of such familiarization programmes for Independent Directors are put up on the Company's website.

## 7. SIZE AND COMPOSITION OF THE BOARD

The Board of Directors of your Company which consists of an optimum mix of Executive and Non-Executive Directors. The composition of the Board consists of a fine blend of professionals from diverse backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights.

As 31<sup>st</sup> March, 2020 the Board has six directors out of which Two is Executive Director, 1 Non-Executive Director and Three are Non-Executive Non-Independent Directors i.e., half of the Board comprises of Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act and represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The names and categories of the Directors on the Board, AGM held during the year and the number of outside Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2020 are given herein below:

Name of the Directors	Category	Age	Number of Directorships Held in Indian Public/Private Co., Foreign Companies including this Co.	Chairman Ship in Board	Committee Position		Attendance at the Annual General Meeting held on 28 Sep. 2019
					Member	Chairman	
Raof Razak Dhanani (DIN-00174654)	Managing Director and Executive Director	56 Years	19	Nil	3	-	No
Suchitra Dhanani (DIN-00712187)	Whole Time Director and Executive Director	55 Years	10	Nil	3	2	No



#Kayum Razak Dhanani (DIN-00987597)	Non Executive Director	47 Years	19	Nil	4	-	No
T. N.Unni (DIN-00079237)	Non Executive Independent Director	81 Years	6	1	4	-	No
*Abhay Chintaman Chaudhari (DIN-06726836)	Non Executive Independent Director	64 Years	5	Nil	3	1	Yes
Saqib Salim Agboatwala (DIN-06611659)	Non Executive Independent Director	52 Years	4	Nil	5	-	No

\* Mr. Abhay Chintaman Chaudhari (DIN: 06726836) has resigned from the post of the Independent Director w.e.f. 18th April, 2020.





# Mr. Kayum Razak Dhanani (DIN: 00987597) has resigned from the post of the Director w.e.f. 11<sup>th</sup> November, 2020.

## BRIEF PROFILE OF BOARD OF DIRECTORS

Given below is a list of core skills, expertise and competencies of the individual Directors:

S. No	Name of the Directors		Date of Appointment	Past and current Experience
1.	T. N. Unni (DIN-00079237)		31/01/2002	Mr. T.N. Unni aged 81 Years is a practicing Chartered Accountant and having experience of more than 42 yrs in accounts, taxation, Corporate Governance etc. At present he is the Chairman of the Board and the Audit Committee.
2.	Raof Razak Dhanani (DIN-00174654)		14/11/2013	Mr. Raof Razak Dhanani aged 56 Years is a graduate. Earlier he was involved into the fertilizers business through Liberty Phosphate Ltd. (a listed Company). He has approx. 28 years' experience of that industry.  Currently he is serving as a managing director in the Company.



3.	Suchitra Dhanani (DIN-00712187)		06/02/2014	<p>Mrs. Suchitra Dhanani, aged 54 years holds bachelor's degree in Home science and qualified as Master in Social Works.</p> <p>She is also taking care Guest Satisfaction Index Department and training department of the Company and also involved in day to day matters of the Company.</p> <p>She is designated as Whole-Time Director in the Company.</p>
4.	#Kayum Razak Dhanani (DIN-00987597)		30/11/2012	<p>Mr. Kayum Dhanani, aged 47 years is qualified as an IGCS from Cambridge University. Presently he is serving as non-executive director in the Company.</p> <p>He has wide range of experience viz. soles and shoes industry, fertilizers business and hotel &amp; restaurant business.</p> <p>He is also Managing director of the Barbeque-Nation Hospitality Limited(one of the leading restaurant business Company) and Sara Suole Private Limited(one of the major sole manufacturer and exporter in india.)</p>
5.	*Abhay Chintaman Chaudhari (DIN-06726836)		14/02/2017	<p>Mr. Abhay Chintaman Chaudhari, aged 64 years is retired senior Bank officer. He had worked as Chief General Manager in State Bank of India. He was also deputed to other associates Companies of State Bank on time to time basis. He is well versed in finance, capital market, risk management etc.</p>
6.	Saquib Salim Agboatwala DIN- 06611659		14/02/2019	<p>Mr. Saquib Salim Agboatwala, aged 52 Years is a Chartered Accountant by profession.</p> <p>He had served as President of the Jeddah Chapter of the Institute of Chartered Accountants of India and member of Saudi India Business Forum and Finance Manager &amp; Quality Management Representative in Arabian Computer Projects Company Limited.</p>

				Currently he has own firm “Oasis Consulting” which has two offices one in Mumbai and another one in Dubai. Oasis is serving as a Consultant and Business Advisors to their clients in India as well in overseas.
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\* Mr. Abhay Chintaman Chaudhari (DIN: 06726836) has resigned from the post of the Independent Director w.e.f. from 18th April, 2020.

# Mr. Kayum Razak Dhanani (DIN : 00987597) has resigned from the post of the Director w.e.f. 11<sup>th</sup> November, 2020.

## NUMBER OF BOARD MEETINGS AND THE DATES ON WHICH THEY WERE HELD

During the financial year ended on 31st March, 2020, Four Meetings of the Board were held, and their attendance as follows:

S. No.	Name of the Directors	Date of Board Meetings				% of Attendance
		30 <sup>th</sup> May, 2019	13 <sup>th</sup> Aug., 2019	14 <sup>th</sup> Nov., 2019	14 <sup>th</sup> Feb., 2020	
1.	Raooof Razak Dhanani	(P)	(P)	(P)	(P)	100
2.	Suchitra Dhanani	(A)	(A)	(P)	(P)	50.00
3.	Kayum Razak Dhanani	(A)	(P)	(A)	(A)	25.00
4.	T.N. Unni	(P)	(A)	(P)	(P)	75.00
5.	Abhay Chintaman Chaudhari	(P)	(P)	(P)	(P)	100
6.	Saquiib Salim Agboatwala	(A)	(P)	(A)	(A)	25.00
<b>Total Strength</b>		6	6	6	6	
<b>Total Present</b>		3	4	4	4	
<b>(P)- Present in Meeting</b>						
<b>(A)-Absent in Meeting</b>						

## 8. MEMBERSHIP ON OTHER BOARDS

Executive Directors are also allowed to serve on the Board / Committee of other Corporate(s) Independent Directors are expected not to serve on the Board / Committees of competing companies. Other than this, there is no limitation on the Directorships / Committee memberships except those imposed by law and good Corporate Governance.

## F. DIRECTORS' RESPONSIBILITIES

a. In addition to the duties and responsibilities entrusted on the Directors of the Company as per the provisions of the Act, it is the elementary responsibility of the Board members to oversee the management of the Company and in doing so, serve the best interests of the Company and its stakeholders. This responsibility inter-alia shall include:

- Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.
- Evaluating whether the corporate resources are being used only for appropriate business purposes.
- Establishing a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
- Evaluating the performance of the Company and its senior executives and taking appropriate action, including removal, where warranted.
- Evaluating the overall effectiveness of the Board and its Committees.
- To attend the Board, Committee and shareholder's meetings.

**b. Exercise business judgment:** In discharging their fiduciary duties of care and loyalty, the directors are expected to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stakeholders.

**c. Understand the Company and its business:** The directors have an obligation to remain informed about the Company and its business, including the principal operational and financial objectives, strategies and plans of the Company, relative standing of the business segments within the Company and vis-a-vis the competitors of the Company, factors that determine the Company's success, results of operations and financial condition of the Company and the significant subsidiaries and business segments.

**d. Establish effective systems:** The directors are responsible for determining that effective systems are in place for periodic and timely reporting to the Board on important matters concerning the Company including the following:

- Current business and financial performance, degree of achievement of approved objectives and the need to address forward-planning issues.
- Compliance programs to assure the Company's compliance with laws and corporate policies.

## **G. BOARD MEETINGS - FUNCTIONING AND PROCEDURE**

**Board Meeting - Calendar:** The probable dates of the board meetings for the forthcoming year are decided in advance.

**Board Meeting - Frequency:** The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Company effectively uses video-conferencing facilities to enable the participation of Directors who could not attend the meetings due to some emergencies.

**Board Meeting - Location:** The location of the Board meeting is informed well in advance to all the Directors. Each director is expected to attend the Board meetings.

**Board Meeting - Matters:** All divisions / departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussions / approval / decision of the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings.

**Board material / Agenda distributed in advance:** The agenda for each board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused

discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting. Every board member is free to suggest items for inclusion in the agenda.

**Presentations by management:** The Board is given presentations covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy and risk management practices before taking on record the financial results of the Company.

**Access to employees:** The directors are provided free access to communicate with the officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board Meeting at which their presence and expertise would help the Board to have a full understanding of the matters being considered.

**Availability of information to Board members:** The information placed before the Board includes annual operating plans and budgets including operating & capital expenditure budgets, quarterly financial results of the Company both consolidated and standalone basis, financials of each of the subsidiaries and investments made by the subsidiaries, risk assessment and minimization procedures, update on the state of the market for the business as well as on the strategy, minutes of subsidiaries, minutes of all the Board committees, related party transactions, details of the treasury investments, details of foreign exchange exposure, update on statutory compliance report and reports of non-compliances, if any, information on recruitment / remuneration of senior officers, show cause / demand notices, if any, details of joint ventures or collaboration agreements, significant changes in the accounting policies, sale of any material nature etc.

**Recording Minutes of Proceedings at Board and Committee Meetings:** The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

**Post meeting follow-up mechanism:** The guidelines for Board and Committee(s) meetings facilitate an effective post meeting follow up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) meetings are promptly communicated to the concerned departments /divisions. Action taken report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board / Committee(s) for information and review by the Board / Committee(s).

## **H. BOARD COMMITTEES**

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the Board to carry out their clearly defined roles. The Board supervises the execution of its responsibilities by the committees and is responsible for their action.

Our Board has constituted committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

### **PROCEDURE AT COMMITTEE MEETINGS**

The Company's guidelines relating to Board meetings are applicable to Committee meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the respective committee

members and placed before Board meetings for noting. The composition and terms of reference of all the committees are in compliance with the Companies Act, 2013 and Listing Regulations, as applicable. The composition of all the committees is given in this Report.

### **BOARD COMMITTEES AND CHAIRMANSHIP/MEMBERSHIP OF DIRECTORS IN COMMITTEES OF THE COMPANY AS ON MARCH 31, 2020:**

The Board has 6 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Borrowing & Investment Committee and 6) Scheme Implementation Committee.

<b>S. No.</b>	<b>Name of Directors/ KMP</b>	<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Corporate Social Responsibility Committee</b>	<b>Borrowing And Investment Committee</b>	<b>Stakeholders Relationship Committee</b>	<b>Scheme Implementation Committee</b>
<b>Executive Directors</b>							
1.	Raof Razak Dhanani	N.A.	N.A.	N.A.	Member	N.A.	Member
2.	Suchitra Dhanani	N.A.	N.A.	Chairperson	Chairperson	N.A.	Member
<b>Non-Executive, Non Independent Directors</b>							
3.	Kayum Razak Dhanani*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Independent, Non-Executive Director(s)</b>							
4.	T.N. Unni	Chairman	Member	Member	N.A.	Chairman	Member
5.	Abhay Chintaman Chaudhari*	Member	Chairman	N.A.	N.A.	Member	N.A.
6.	Saqib Salim Agboatwala	Member	Member	Member	Member	Member	N.A.
<b>Key Managerial Personnel</b>							
7.	Sandesh Khandelwal	N.A.	N.A.	N.A.	N.A.	N.A.	Member
8.	Amit Sarraf	N.A.	N.A.	N.A.	N.A.	N.A.	Member

\* Mr. Abhay Chintaman Chaudhari (DIN: 06726836) and Mr. Kayum Razak Dhanani (DIN: 00987597) has resigned from the post of the Director w.e.f. from 18th April, 2020 and 11<sup>th</sup> November, 2020 respectively.

## 1. Audit Committee

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Audit Committee	<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.</p> <ul style="list-style-type: none"> <li>• Oversight of financial reporting process.</li> <li>• Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.</li> <li>• Evaluation of internal financial controls and risk management systems</li> <li>• Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</li> <li>• Approve policies in relation to the implementation of the Insider Trading Code and to supervise Implementation of the same.</li> </ul>	T. N. Unni	Independent Non-Executive	<ul style="list-style-type: none"> <li>• Four meetings were held during the year.</li> <li>• Committee invites Representatives of the statutory auditors and internal auditors, as it considers appropriate, to be present at its meetings.</li> <li>• The Company Secretary acts as the Secretary to the Audit Committee.</li> </ul>
		Abhay Chaudhari	Independent Non-Executive	
		Saquib Agboatwala	Independent Non-Executive	
		* Mr. Abhay Chintaman Chaudhari (DIN: 06726836) has resigned from the post of the Independent Director w.e.f. from 18th April, 2020.		

## Meeting and Attendance of the Audit Committee

S. No.	Name of the Directors	Date of Audit Committee Meetings				% of Attendance
		30 <sup>th</sup> May, 2019	13 <sup>th</sup> Aug., 2019	14 <sup>th</sup> Nov., 2019	14 <sup>th</sup> Feb., 2020	
1.	T.N. Unni	(P)	(A)	(P)	(P)	75.00
2.	Abhay Chintaman Chaudhari	(P)	(P)	(P)	(P)	100
3.	Saquib Salim Agboatwala	(A)	(P)	(A)	(A)	25.00
<b>Total Strength</b>		3	3	3	3	
<b>Total Present</b>		2	2	2	2	
<b>(P)- Present in Meeting</b> <b>(A)-Absent in Meeting</b>						

## 2. Nomination and Remuneration Committee

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Nomination and Remuneration Committee	<p>Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> <li>Recommend to the Board the setup and composition of the Board and its committees.</li> <li>Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.</li> <li>Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.</li> <li>Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.</li> <li>Oversee familiarization programs for Directors.</li> </ul>	Abhay Chaudhari	Independent Non-Executive	<ul style="list-style-type: none"> <li>Two meetings were held during the year.</li> <li>The Company Secretary acts as the Secretary to the Committee.</li> <li>Due to COVID-19, as per Reg. 19(3A) the Nomination and Remuneration Committee shall meet at least once in a year - extended till June 30th, 2020 (period of relaxation – 3 month).</li> </ul>
		T. N. Unni	Independent Non-Executive	
		Saquib Agboatwala	Independent Non-Executive	
		* <i>Mr. Abhay Chintaman Chaudhari (DIN: 06726836) has resigned from the post of the Independent Director w.e.f. from 18th April, 2020.</i>		

### Meeting and Attendance of the Nomination and Remuneration Committee

S. No.	Name of the Directors	Date of Nomination and Remuneration Committee Meetings		
		13 <sup>th</sup> Aug. ,2019	14 <sup>th</sup> Nov., 2019	% of Attendance
1.	Abhay Chintaman Chaudhari	(P)	(P)	100
2.	T.N. Unni	(A)	(P)	50.00
3.	Saquib Salim Agboatwala	(P)	(A)	50.00
<b>Total Strength</b>		3	3	
<b>Total Present</b>		2	2	

## 3. Corporate Social Responsibility Committee

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	

Corporate Social Responsibility Committee	<p>Committee is constituted in line with the provisions of Section 135 of the Act.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Recommend the amount of expenditure to be incurred on the Activities mentioned in the CSR Policy.</li> <li>• Monitor the CSR Policy.</li> </ul>	Suchitra Dhanani	Non Independent Executive	<ul style="list-style-type: none"> <li>• No meetings were held during the year under review.</li> </ul>
		T. N. Unni	Independent Non-Executive	
		Saqib Agboatwala	Independent Non-Executive	

#### 4. Borrowing and Investment Committee

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
Borrowing and Investment Committee	<p>The Committee authorizes making of investments/ICDs and the borrowings from lenders including Banks and other persons within the limits prescribed by the Board/Companies Act, 2013</p> <ul style="list-style-type: none"> <li>• To take decision on borrowing, providing guarantee/security and to make investment subject to the provisions of the Companies Act, 2013 and limit approved by the shareholders of the Company.</li> <li>• To assists and makes recommendations to the Board on: <ul style="list-style-type: none"> <li>a. Investment strategy and investment risk management;</li> <li>b. Investment performance and outlook;</li> <li>c. Compliance with the investment component</li> <li>d. External group borrowings;</li> <li>e. Undertaking special projects delegated by the Board.</li> </ul> </li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>• One meetings was held during the year under review.</li> <li>• The Company Secretary acts as the Secretary to the Committee.</li> </ul>
		Suchitra Dhanani	Non Independent Executive	
		Raof Razak Dhanani	Non Independent Executive	
		Saqib Agboatwala	Independent Non-Executive	



### Meeting and Attendance of the Borrowing and Investment Committee

S. No.	Name of the Directors	Date of Borrowing and Investment Committee Meetings	
		12.12.2019	% of Attendance
1.	Suchitra Dhanani	(P)	100
2.	Raooof Dhanani	(P)	100
3.	Saquib Salim Agboatwala	(A)	0.00
<b>Total Strength</b>		3	
<b>Total Present</b>		2	
<b>(P)- Present in Meeting</b>			
<b>(A)-Absent in Meeting</b>			

### 5. Stakeholders' Relationship Committee

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Stakeholders' Relationship Committee	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> <li>Consider and resolve the grievances of security holders.</li> <li>Consider and approve issue of share certificates, transfer and transmission of securities, etc.</li> <li>Oversee the performance of the Company's Registrars and Transfer Agents</li> </ul>	T.N. Unni	Independent Non-Executive	<ul style="list-style-type: none"> <li>One meeting was held during the year under review.</li> <li>The Company Secretary acts as the Secretary to the Committee.</li> <li>Due to COVID-19, as per Reg. 20(3A) the Stakeholder Relationship Committee shall meet at least once in a year - extended till June 30th, 2020 (period of relaxation - 3 month).</li> </ul>
		Abhay Chaudhari	Independent Non-Executive	
		Saquib Agboatwala	Independent Non-Executive	
		* <i>Mr. Abhay Chintaman Chaudhari (DIN: 06726836) has resigned from the post of the Independent Director w.e.f. from 18th April, 2020.</i>		

### Meeting and Attendance of the Stakeholders' Relationship Committee

S. No.	Name of the Directors	Date of Stakeholders' Relationship Committee Meetings	
		14.11.2019	% of Attendance
1.	T.N. Unni	(P)	100
2.	Abhay Chaudhari	(P)	100
3.	Saquib Agboatwala	(A)	0.00
<b>Total Strength</b>		3	
<b>Total Present</b>		2	
<b>(P)- Present in Meeting</b>			
<b>(A)-Absent in Meeting</b>			

## 6. Scheme Implementation Committee

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Scheme Implementation Committee	<p>This Committee is specifically constituted to handle and manage the issues related to the ongoing Composite scheme of Amalgamation and Arrangement between the Company, Sayaji Hotels Management Ltd., Sayaji Hotels (Pune) Ltd., Sayaji Housekeeping Services Ltd. and Ahilya Hotels Ltd.</p> <ul style="list-style-type: none"> <li>To do all such needful as may be necessary for solving all difficulties that may arise for carrying out in the Scheme; or (e) may modify the scheme as may be necessary; or (f) may do all acts, deeds, matters and things necessary for putting the Scheme into effect."</li> <li>To comply with any conditions or limitations the Hon'ble NCLT or any other statutory authority(ies) may deem fit to direct or impose;</li> </ul>	T.N. Unni	Member	<ul style="list-style-type: none"> <li>No meeting was held during the year under review.</li> </ul>
		Raof Dhanani	Member	
		Suchitra Dhanani	Member	
		Sandesh Khandelwal	Member	
		Amit Sarraf	Member	

## 7. Separate Meeting of the Independent Directors

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and the individual directors was discussed.

In terms of the provisions of the Act and the Listing Regulations the Independent Directors of the Company shall meet at least once in a year, without the presence of Executive Directors and members of Management. The Independent Directors met on 14<sup>th</sup> February, 2020.

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Independent Directors Meeting	Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI (LODR) Regulations, 2015 and SS 2.3 of the Secretarial Standard on the Meetings of Board, the meeting has reviewed-	T.N. Unni	Independent Non-Executive	<ul style="list-style-type: none"> <li>One meeting was held during the year under review.</li> <li>The Company Secretary acts as the Secretary to the Committee.</li> </ul>
		Abhay Chaudhari	Independent Non-Executive	
		Saquib Agboatwala	Independent Non-Executive	

	<p>(a) review the performance of non-independent directors and the Board as a Whole</p> <p>(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;</p> <p>(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties</p>	<p><i>* Mr. Abhay Chintaman Chaudhari (DIN: 06726836) has resigned from the post of the Independent Director w.e.f. from 18th April, 2020.</i></p>	
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### Meeting and Attendance of the Independent Directors

S. No.	Name of the Directors	Date of Independent Directors Meetings	
		14.02.2020	% of Attendance
1.	T.N. Unni	(P)	100
2.	Abhay Chaudhari	(P)	100
3.	Saquib Agboatwala	(A)	0.00
<b>Total Strength</b>		3	
<b>Total Present</b>		2	
<b>(P)- Present in Meeting</b>			
<b>(A)-Absent in Meeting</b>			

### ❖ SUCCESSION PLANNING

Succession Planning aids the Company in identifying and developing internal people with the potential to fill certain key positions in the Company viz. Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary. It increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Succession Planning is a part of the charter of the Nomination & Remuneration Committee of the Company. The Committee shall identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.

### ❖ ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

Functions of Company Secretary are discharged by the Board. The Company Secretary plays a key role in ensuring that the Board (including in committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

The Company Secretary is primarily responsible to assist and advice the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to directors and to

facilitate convening of meetings. The Company Secretary interfaces between the management and regulatory authorities for governance matters.

#### ❖ **INDEPENDENCE OF STATUTORY AUDITORS**

The Board ensures that the statutory auditors of the Company are independent and have an arm's length relationship with the Company.

#### ❖ **CODE FOR PREVENTION OF INSIDER TRADING**

The Company has comprehensive guidelines on prevention of Insider Trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time). The Code of Conduct on Prohibition of Insider Trading ('Insider Trading Code') for prevention of Insider Trading inter-alia prohibits purchase / sale of shares of the Company by the Designated Persons (as defined under the Insider Trading Code) while in possession of unpublished price sensitive information in relation to the Company. The Company, within two working days of receipt of the information under the Initial and Continual Disclosures from the Designated Persons (as defined under the Insider Trading Code), discloses the same to all the Stock Exchanges, where the shares of the Company are listed.

#### ❖ **PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE POLICY**

In order to provide a safe and healthy work environment free of any hassles and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the Company has in place a Prevention and Redressal of Sexual Harassment at Work Place Policy. This policy applies to all employees of the Company, its group companies and joint ventures operating out of India like regular, temporary, ad hoc, daily wagers, contractual staff, vendors, clients, consultants, trainees, probationers, apprentices, contract labour and also all visitors to the Company. Any complaint about harassment shall be treated under this Policy. This Policy is not confined to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours but also includes any place visited by the employee arising out of or during the course of employment.

The Company has constituted an Internal Committee for the redressal of all sexual harassment complaints. These matters are also being reported to the Audit Committee. During the year ended March 31, 2020, the Company have not received any complaints on sexual harassment.

#### ❖ **VIGIL MECHANISM/WHISTLEBLOWER POLICY**

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Audit Committee reviews the policy and its implementation on periodic basis and is provided a quarterly update on the status of various complaints received and investigated. The policy is available on the website of the Company at <https://www.sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf>

Mrs. Suchitra Dhanani Competent Authority for effective implementation of the policy and dealing with the complaints registered under the policy.

## ❖ **SUBSIDIARY COMPANIES' MONITORING FRAMEWORK**

All subsidiary companies are managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As on March 31, 2020, the Company has a material unlisted subsidiary i.e. Malwa Hospitality Pvt. Ltd.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board.
- Presentations are made to the Company's Board on business performance by the senior management on major subsidiaries of the Company.

The Company's Policy for determining Material Subsidiaries is put up on the Company's website.

## ❖ **DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE COMPANY'S INTERESTS AT LARGE**

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources. All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. None of the transactions with any of related parties were in conflict with the Company's interest.

The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is put up on the Company's website.

## ❖ **DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:**

Name	Relationship	Name of other Directors in inter-se relationship
Mr. Raooof Razak Dhanani	Brother	Mr. Kayum Razak Dhanani
	Brothers 'wife	Mrs. Suchitra Dhanani
Mr. Kayum Razak Dhanani	Brother	Mr. Raooof Razak Dhanani
	Brothers 'wife	Mrs. Suchitra Dhanani
Mrs. Suchitra Dhanani	Brother in Law	Mr. Raooof Razak Dhanani
	Brother in Law	Mr. Mr. Kayum Razak Dhanani

## ❖ **NO. OF SHARES HELD BY NON- EXECUTIVE DIRECTOR**

Name of Director and KMPs	No. of Shares Held
*Mr. Kayum Razak Dhanani	3638079

\* Mr. Kayum Razak Dhanani resigned w.e.f. 11<sup>th</sup> November, 2020.

## I. TERMS OF APPOINTMENT & REMUNERATION –WHOLE-TIME DIRECTOR

S. No.	Name of the Director	Designation	Period of Appointment	Salary Grade	Perquisite & Allowances	Minimum Remuneration	Notice Period
1.	Suchitra Dhanani	Whole Time Director	3 Years (From 06.02.2020 to 05.02.2023)	Rs. 260738/- Per Month +Variable Pay	Upto the 100% of the salary	In case of in absence or inadequacy of the profit in any financial year, the Company shall pay the above said remuneration i.e. (Salary +Perquisite& allowances) subject to the maximum of Rs. 5,00,000 per month	180 Days
2.	Raof Razak Dhanani	Managing Director	3 Years (from 05.11.2018 to 04.11.2023)	Rs. 200000/- Per Month	Upto the 100% of the salary	In case of in absence or inadequacy of the profit in any financial year, the Company shall pay the above said remuneration i.e. (Salary+ Perquisite & allowances) subject to the maximum of Rs. 7,00,000 per month	180 Days

*\*With the annual increment as may be decided by the Board of Directors of the Company.*

### ❖ DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS

During the year the Company had received only 1 complaint from the shareholders and their grievances are resolved within the prescribed time.

S. No.	No. of Complaints	2019-20			
		30.06.2019	30.09.2019	31.12.2019	31.03.2020
1.	No. of Complaints received	1	0	0	0
2.	No. of Complaints resolved	1	0	0	0
3.	No. of Complaints unresolved	0	0	0	0

As per Regulation 13(3) of SEBI (LODR) Regulations,2015 relating to Statement of Investor complaints to be filed within 21 days from end of each quarter

## J. POLICY AND THE DISCLOSURES

Particulars	Regulations	Details	Website link for details/policy
Policy on dealing with Related Party Transactions	Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and as defined under the Act.	<p>The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.</p> <p>This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.</p> <p>All Related Party Transactions are placed before the Audit Committee for review and approval.</p> <p>The Company within 30 days from the date of publication of its standalone and consolidated financial results for the half year, submits disclosures of related party transactions on a consolidated basis.</p>	<a href="https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf">https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf</a>
Details of Non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (c) 10(b) to the (Listing Obligations and Disclosures Requirements) Regulations, 2015	The details related to the non-compliance are separately reported in the Corporate Governance Report.	-
Whistle Blower Policy and Vigil mechanism	Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	The Board of Directors of your Company has adopted the Vigil Mechanism and Whistle Blower Policy in compliance with Section 177(9) and (10) of the Companies Act, 2013, and regulations specified under LODR. The Company has adopted a channel for receiving and redressing of employees' complaints. Under this policy, we encourage our employees to report any reporting of fraudulent financial or other information to the stakeholders, any conduct that results in violation of the Company's Code of Business Conduct. The Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the	<a href="https://www.sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf">https://www.sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf</a>

		<p>management any issue which is perceived to be in violation of or in conflict with the Code of Business Principles of the Company.</p> <p>Mrs. Suchitra Dhanani Competent Authority for effective implementation of the policy and dealing with the complaints registered under the policy.</p>	
Policy on Determination of Materiality for Disclosures	Regulation 30(4) (ii) of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015	This Policy for Determination of Materiality of Events or Information is aimed at for providing guidelines to the management of Sayaji, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s).	<a href="https://www.sayajihotels.com/data/determination-of-materiality.pdf">https://www.sayajihotels.com/data/determination-of-materiality.pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015	<p>The policy is framed for the purpose of systematic identification, categorization, maintenance, review, retention and destruction of documents received or created in the course of business.</p> <p>The policy gives guidelines on how to identify documents that need to be maintained, how long certain documents should be retained, how and when those documents should be disposed of, if no longer needed and how the documents should be accessed and retrieved when they are needed.</p>	<a href="https://www.sayajihotels.com/data/new_july/Policy-for-preservation-of-documents.pdf">https://www.sayajihotels.com/data/new_july/Policy-for-preservation-of-documents.pdf</a>
Compliance with the Discretionary Requirements under the Listing Regulations	Schedule II Part E of the SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015	<ul style="list-style-type: none"> <li>• <b>Audit qualifications:</b> Company's financial statements are unqualified.</li> <li>• <b>The Board &amp; separate posts of Chairman and CEO:</b> The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director /Chief Executive Officer.</li> <li>• <b>Shareholders' rights:</b> The quarterly results uploaded on the website of the Company.</li> <li>• <b>Reporting of Internal Auditor:</b> The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.</li> </ul>	-
Policy For Procedure Of Inquiry In Case Of Leak Of Unpublished Price Sensitive Information ("UPSI")	Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]	<p>Your company has adopted policy and procedures for inquiry in case of leak of unpublished price sensitive information.</p> <p>Objective:</p> <p>(a) To strengthen the internal control system to prevent leak of UPSI.</p> <p>(b) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the Company.</p> <p>(c)To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee &amp; Designated Persons with any person, firm, Company or Body Corporate.</p>	<a href="https://www.sayajihotels.com/investors">https://www.sayajihotels.com/investors</a>



		(d)To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India (“SEBI”) promptly.	
Policy on Material Subsidiary Companies	Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	<p>The Company has adopted a Policy on Material Subsidiary in line with the requirements of the Listing Regulations.</p> <p>The objective of this policy is to lay down criteria for identification and dealing with Material subsidiaries and to formulate a governance framework for subsidiaries of the Company.</p> <p>The Company has 1 material subsidiary (i.e. Malwa Hospitality Pvt. Ltd.) whose net worth exceeds 10% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 10% of the consolidated income of the Company during the previous financial year.</p> <p>The Audit Committee reviews the financial statements of the Company’s unlisted subsidiary Companies.</p>	<a href="https://www.sayajihotels.com/data/Material_Sub subsidiary_Policy.pdf">https://www.sayajihotels.com/data/Material_Sub subsidiary_Policy.pdf</a>
Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace	As per the requirement of the Companies Act, 2013	As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee (ICC) for each of their units. During the year, the Company didn’t receive any complaint.	<a href="https://www.sayajihotels.com/data/new_july/Internal-Complaint-Committee.pdf">https://www.sayajihotels.com/data/new_july/Internal-Complaint-Committee.pdf</a>
Code Of Fair Practices And Procedures For Disclosure Of Unpublished Price Sensitive Information	(Pursuant to Regulation 8(1) and 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015)	<p>The Board of the Company has adopted a Share Dealing Code and formulated the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The details of dealing in Company’s shares by Specified Employees (which include Members of the Management Committee and Directors) are placed before the Board for information on quarterly basis.</p> <p>The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the Members at large.</p> <p>In accordance with the SEBI Regulations as amended, the Company has established systems</p>	<a href="https://www.sayajihotels.com/investors">https://www.sayajihotels.com/investors</a>

		and procedures to prohibit insider trading activity and has framed a Share Dealing Code.	
Reconciliation of Share Capital Audit Report	Regulation 55A of the SEBI Depositories and Participants) Regulations, 1996 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.	<a href="https://www.sayajihotels.com/investors">https://www.sayajihotels.com/investors</a>
Code of Conduct	Regulation 17 of SEBI Listing Regulations	<p>The Board has adopted the Code of Conduct for the Members of the Board and Senior Management Team.</p> <p>The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The Code also restricts Directors from accepting any gifts or incentives in their capacity as a Director of the Company, except what is duly authorized under the Company’s Gift Policy.</p> <p>The Members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board.</p> <p>The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.</p>	<a href="https://www.sayajihotels.com/data/new_aug/Code-of-Conduct-for-Insider-under-SEBI-PIT-Regulations-2015.pdf">https://www.sayajihotels.com/data/new_aug/Code-of-Conduct-for-Insider-under-SEBI-PIT-Regulations-2015.pdf</a>

## K. OTHER DISCLOSURES

### Strictures and Penalties

The Company had complied with the requirements of regulator authorities on capital markets and no penalties/strictures was imposed against it in this years by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority.

#### ▪ Disclosure on website

Following information has been disseminated on the website of the Company at:

- (a) Annual Reports
- (b) Details of Board of the Directors
- (c) Code of conduct for the Independent Directors

- (d) Corporate Governance
- (e) Composition of the Various committees of the Board of Directors
- (f) Details of the Business
- (g) Financial Results
- (h) Investors Complaint
- (i) Investors Details
- (j) Shareholding pattern
- (k) Whistle Blower/Vigil mechanism
- (l) Terms and conditions for appointment of Independent Directors
- (m) Policies
- (n) Internal Complaint Committee (SHWW Prevention, Prohibition And Redressal) Act, 2013
- (o) Notices
- (p) Reports under Regulation 40(9)
- (q) Reports under Regulation 7(3)
- (r) Reconciliation of the share capital Audit
- (s) Statement of the investors complaint report
- (t) Financial statement of the Subsidiary
- (u) E Voting
- (v) Postal Ballot
- (w) Composite Scheme
- (x) Financial statement of the unlisted Companies
- (y) Disclosures of Related Party Transactions
- (z) Disclosure of Reasons for Encumbrances by Promoters
- (aa) Announcements under Regulation 30 (LODR)-Strikes /Lockouts / Disturbances
- (bb) Compliance Certificate under Regulation 74 (5) of SEBI (DP) Regulation, 2018

- **Public issue/Right Issue**

The Company has not come out with any public issue or right issue etc. during the financial year under review.

- **MD / CFO Certification**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The certificate given by Managing Director and the Chief Financial Officer was placed before the board of directors meeting held on 30<sup>th</sup> July, 2020 for Standalone Financial Results and on 13<sup>th</sup> November, 2020 for Consolidated Financial Results and the said certificate is annexed and published in this Report.

- **Non-Executive Directors' compensation and disclosures**

The Nomination and Remuneration Committee recommends all fees/compensation paid to the Non-Executive Directors (including Independent Directors) and thereafter fixed by the Board and approved by the shareholders in the General Meeting, if required. The remuneration paid/payable to the Non-Executive Directors are within the limits prescribed under the Act.

- **Disclosure of Accounting Treatment**

Your Company has not adopted any alternative accounting treatment prescribed differently from the Ind AS.

▪ **Commodity price risk or foreign exchange risk and hedging activities:**

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

## **L. MEANS OF COMMUNICATION**

**a. Financial Results, Newspapers in which results normally published:** The quarterly, half-yearly and annual financial results of the Company are generally published in daily newspapers in India inter-alia, in Makkal Kural for Tamil Version and Trinity Mirror for English Version. The results are also displayed on the Company's website [www.sayajihotels.com](http://www.sayajihotels.com).

**b. Website:** The Company's corporate website i.e. [www.sayajihotels.com](http://www.sayajihotels.com) provides comprehensive information on the Company's portfolio of businesses. The website has an entire section dedicated to Company's profile, its core values, corporate governance, business lines and industry sections. An exclusive section on 'Investors' enables them to access information at their convenience. The entire Annual Report as well as quarterly, half yearly, annual financial statements, releases and shareholding pattern are available in downloadable format as a measure of added convenience to the investors.

**c. News Releases, Presentations etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website [www.sayajihotels.com](http://www.sayajihotels.com). Official media releases are also sent to the Stock Exchanges.

**d. Annual Report:** The Annual Report containing, inter-alia, the Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report, Management Discussion and Analysis Statement, Corporate Governance Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Company is available on the Company's website in a user-friendly and downloadable form.

**e. Intimation to the Stock Exchanges:** The Company intimates to the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

**f. Online Portal-BSE Corporate Compliance & Listing Centre:** As per the mandate received from BSE Limited ('BSE'), the Company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of BSE i.e. <http://listing.bseindia.com>.

**g. Letters to Investors:** Letters were sent to the shareholders as per records, for claiming unclaimed / unpaid dividend / dematerialization of shares / updating PAN and Bank Account details. The Company has also sent intimations to the shareholders holding shares in physical form, informing them about SEBI's mandate to permit transfer of shares only in dematerialized form w.e.f. April 1, 2019.

**h. SEBI Complaints Redress System (SCORES):** Investor complaints are processed at SEBI in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Report (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status.

**i. Shareholders' Feedback Survey:** The Company sends feedback form seeking shareholders' views on various matters relating to investor services and Annual Report for improvement in future.

**j. Designated exclusive email-IDs:** The Company has designated the following email-IDs exclusively for investor servicing:

- For queries on Annual Report: investor.cs@sayajigroup.com
- For queries in respect of shares in physical mode: pranav.jade@linkintime.co.in

#### **M. GENERAL SHAREHOLDERS INFORMATIONS**

<b>Company Registration Details</b>	The Company is registered in the State of Chennai, India. The Corporate Identity Number (CIN) allotted to the Company by the ministry of Corporate affairs (MCA) is L51100TN1982PLC124332.
<b>Financial Year</b>	April 1 to March 31
<b>Investors Correspondence</b>	All Members' correspondence should be forwarded to Link Intime India Pvt. Ltd., the Registrar and Transfer Agent of the Company or the Company's dedicated e-mail address for Investors' Complaints and other communications is cs@sayajigroup.com.
<b>Registrar and Transfer Agent</b>	Link Intime India Pvt. Ltd. Category I and the registration number is INR000004058. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400083 Email – Pranav.jade@linkintime.co.in Phone: 022-25963838 Fax: 022-25946969
<b>Address for Correspondence with the Company</b>	Amber Convention Centre, Bypass Rd, Near Best Price, Hare Krishna Vihar, Nipania, Indore, Madhya Pradesh 452010
<b>Demat ISIN numbers in NSDL &amp; CDSL</b>	INE318C01014
<b>Communication by E-mail:</b>	<p>Shareholders are already requested to intimate their Email Addresses &amp; PAN and changes therein, if any, to Link Intime India Private Limited, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.</p> <p>For these action your company had already sent three reminders to the shareholders.</p> <p>Benefits of registering your E-mail address for availing E-communication:</p> <ul style="list-style-type: none"> <li>• it will enable you to receive communication promptly;</li> <li>• it will avoid loss of documents in postal transit; and</li> <li>• it will help in eliminating wastage of paper, reduce paper consumption and, in turn, save trees.</li> </ul>

## N. STOCK MARKET DATA-EXCHANGES IN INDIA

### Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges:

Name and Address of the Stock Exchanges	Stock/Scrip Code	ISIN for CDSL/NSDL Dematerialized Shares
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Email: corp.comm@bseindia.com	523710	INE318C01014

#### ▪ Listing Fees to Stock Exchanges:

The Annual Listing Fees for the financial year 2020-21 has been paid by the Company to BSE.

#### ▪ Payment of Depository Fees:

Annual Custody /Issuer fee for the year 2020-21 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

#### ▪ Bifurcation of shares held in physical and demat form as on 31st March, 2020

Particulars	No. of Shares	%
Physical Segment	1499188	8.56
Demat Segment		
NSDL(A)	13956225	79.67
CDSL (B)	2062587	11.77
<b>Total (A+B)</b>	<b>16018812</b>	<b>91.44</b>
<b>Total</b>	<b>17518000</b>	<b>100</b>

#### ▪ Market Price Data:

The high and low Market Price of the Company's shares traded on the BSE Limited, during each month in the financial year 2019 - 2020 are given below:

Month	BSE Sensex Closed	Equity Share Price			No of Shares Traded during the month	Turnover Rs.
		High	Low	Close		
April-2019	39,031.55	271.00	229.10	258.95	2741	685171
May-2019	39,714.20	260.00	231.90	250.00	4804	1182820
June-2019	39,394.64	271.75	224.50	244.45	6450	1566648
July-2019	37,481.12	269.85	235.20	245.00	275460	69261366
Aug.-2019	37,332.79	278.00	224.00	241.55	259059	65113191
Sept.-2019	38,667.33	254.65	221.75	238.00	32207	7715780
Oct.-2019	40,129.05	266.30	215.00	241.95	108156	27172572
Nov.-2019	40,793.81	259.20	224.60	242.90	1554	371466
Dec.-2019	41,253.74	246.40	210.20	239.70	3953	895311
Jan.-2020	40,723.49	235.00	209.00	228.00	4491	998274
Feb.-2020	38,297.29	263.90	216.60	246.95	10614	2593879
Mar.-2020	29,468.49	249.90	182.70	208.55	3246	656088

## **O. SHAREHOLDER REFERENCER**

### **GENERAL RIGHTS, OBLIGATIONS AND SAFEGUARDS FOR MEMBERS**

The Company endeavors to honor the statutory rights of the members, inter alia, the following:

- To receive not less than 21 clear days' notice of general meetings.
- To receive notice and forms for Postal Ballots in terms of the provisions of the Companies Act, 2013 and the relevant Rules issued thereunder
- To receive copies of Balance Sheet and Statement of Profit and Loss along with all annexures / attachments (Generally known as Annual Report) not less than 21 days before the date of the Annual General Meeting.
- To participate and vote at General Meetings either personally or through proxy (proxy can vote only in case of a poll).
- To receive Dividends and other corporate benefits like Bonus, Rights etc. once approved.
- To demand poll on any resolution at a General Meeting in accordance with the provisions of the Companies Act, 2013.

#### **▪ Share transfer System**

91.44% of the equity shares of the Company are in dematerialized form. Transfer of these shares are done through the depositories with no involvement of the Company. For the transfer of shares held in physical form, the authority has been delegated to the Company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40 (9) of the Listing Regulations, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

#### **▪ Service of documents**

The Company sends Notices, Report and Accounts and other communications in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Shareholders.

Shareholders who wish to register or update their e-mail addresses with the Company may requested to please inform the same to your Depository (in case you hold the shares in dematerialised form) or to the Company (in case you hold the shares in physical form).

#### **▪ Nomination facility**

Shareholders holding Shares in Physical Form and desirous of making a Nomination in respect of their Shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the Form No. SH-13 to the Registrar and Transfer Agent.

#### **▪ Permanent Account Number (PAN)**

Shareholders holding shares in the certificate form are requested to send copies of their PAN Cards to the RTA to facilitate better servicing.

Furnishing of PAN Card, however, is mandatory as follows:

1. Transferee's and Transferor's PAN Cards for transfer of shares.
2. Legal heirs /Nominee's PAN Cards for transmission of shares.

3. Surviving joint holders' PAN Card for deletion of name of deceased shareholders, and
4. Joint Holders PAN Card for transposition of shares.

▪ **Change of Address and Furnishing of Bank Details**

Shareholders holding shares in the certificate form are requested to advise the RTA of any change in their address / mandate / bank details to facilitate better servicing.

Shareholders are advised that as a measure of protection against fraudulent encashment, their bank details or address as available with the RTA, will be printed on the dividend warrants or demand drafts where dividend cannot be remitted through electronic mode.

▪ **Unpaid/ Unclaimed Dividend**

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The shares in respect of such unclaimed dividend are also liable to be transferred to the Demat Account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

During the year no dividend had been declared by the Company hence there is no amount of unclaimed dividend lying in the books of the Company which require being transfer into Investor Education & Protection Fund. Further that the Company was also not required to transfer any shares on which the dividend remain unpaid for a consecutive seven years.

▪ **Pending Investors' Grievances**

We attended to most of the investors' grievances and postal / electronic communications within a period of 10 days from the date of receipt of such grievances. The exceptions have been for cases constrained by disputes or legal impediments. Shareholders may note that the share transfers, dividend payments and all other investor-related activities are attended to and processed at the office of Registrar and Transfer Agents (RTA).

The Company had received 1 Complaints from the shareholders and none of the Complaints are pending for resolve. The listed entities are required to submit the Investor Complaint Details (Regulation 13 (3)) in the Listing Centre website using the web form provided for that purpose. The details of the Investors complaints are also posted on the website of the Company as <https://www.sayajihotels.com/investors>.

▪ **Investor Servicing and Grievance redressal - External Agencies**

**(a) Ministry of Corporate Affairs (MCA)**

MCA has launched its e-Governance initiative, that is, MCA21, on the MCA portal ([www.mca.gov.in](http://www.mca.gov.in)). One of the key benefits of this initiative is timely redressal of investor grievances. MCA21 system accepts complaints under the e-Form prescribed, which has to be filed online.

The status of complaint can be viewed by quoting the Service Request Number (SRN) provided at the time of filing the complaint.

**(b) Securities and Exchange Board of India (SEBI)**

SEBI, in its endeavour to protect the interest of investors, has provided a platform wherein the investors can lodge their grievances. This facility is known as SEBI Complaints Redress System (SCORES) and is available on the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) and on SCORES' website (<http://scores.gov.in>).



The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and Online viewing by investors of actions taken on the complaint and its current status.

All companies against whom complaints are pending on SCORES, have to take necessary steps to resolve the complaint and submit action taken report within thirty days of receipt of complaint and also keep the complainant duly informed of the action taken.

SEBI has issued frequently asked questions (FAQs) in respect of SCORES which inter alia lists down the matters which are considered as complaints and handled by SEBI, the matters which are not considered as complaints, how the investor complaints' are handled by SEBI, the arbitration mechanism, etc. These FAQs can be accessed on the link: <http://scores.gov.in/Docs/FAQ-SCORES.pdf>.

▪ **Secretarial Audit as per Companies Act, 2013:**

The Company has undertaken Secretarial Audit for the financial year 2019-20 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

Pursuant to the provisions of section 204(1) of the Companies Act, 2013, M/s Neelesh Gupta & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions of the adherence of good corporate practices by the Company.

▪ **E-voting**

The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard 2 on General Meetings and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited(NSDL) and Central Depository Services (India) Ltd (CDSL)

**Shareholder voting:**

Shareholders are requested to cast their votes on the resolutions mentioned in Notice of the 37<sup>th</sup> Annual General Meeting of the Company by using Remote E-voting or the E-voting at the time attending meeting.

**Distribution of Equity Shareholding as on March 31, 2020**

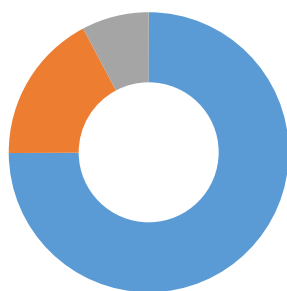
No. of Shares (Slab)	No. of Share Holders	% of Total		
			No. of shares	% of share Capital
1-500	3461	95.16	317721	1.81
501-1000	84	2.31	63575	0.36
1001-2000	34	0.93	50649	0.29
2001-3000	16	0.44	39913	0.23
3001-4000	4	0.11	15300	0.09
4001-5000	6	0.17	29270	0.17
5001-10000	5	0.14	36279	0.21
10001 or more	27	0.74	16965293	96.84
<b>TOTAL</b>	<b>3637</b>	<b>100</b>	<b>17518000</b>	<b>100.00</b>

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

#### Equity Shareholding Pattern as on 31<sup>st</sup> March, 2020-

Category	No. of Shares held	%
Promoters and promoter group	1,31,22,142	74.91
Banks, Financial Institutions, Insurance Companies & Mutual Funds		
i. Banks	0.00	0.00
ii. Financial Institutions	350	0.00
iii. Insurance Companies	0.00	0.00
iv. Mutual Funds/UTI	4000	0.02
Central & State Governments	0.00	0.00
Foreign Institutional Investors	0.00	0.00
NRIs / Foreign Nationals	3039108	17.35
Directors	0.00	0.00
Public and Others	1352400	7.72
<b>TOTAL</b>	<b>17518000</b>	<b>100.00</b>

#### Equity Shareholding Pattern as on 31<sup>st</sup> March, 2020



- Promoters and promoter group
- NRIs / Foreign Nationals
- Public and Others
- Mutual Funds
- Financial Institutions

#### Statement showing Shareholding of more than 1% of the Capital as on 31<sup>st</sup> March, 2020–

S. No.	Name of shareholders	No. of Shares held	% of shareholding
1.	Mr. Raof Razak Dhanani	3898751	22.26%
2.	Mr. Kayum Razak Dhanani	3638079	20.77%
3.	Ahilya Hotels Limited	2455000	14.01%
4.	Late. Mr. Sajid R. Dhanani	2435511	13.90%
5.	Mrs. Nasreen Yusuf Dhanani	801097	4.57%
6.	Ms. Sana Yusuf Dhanani	790623	4.51%
7.	Mr. Abdul Gani Sarfaraz Yusuf Dhanani	752187	4.29%
8.	Mrs. Rohini S. Udar	526000	3.00%
9.	Ms. Mahek Sarfaraz Dhanani	498804	2.84%
10.	Mrs. Anisha Raof Dhanani	296578	1.69%
11.	Mrs. Suchitra Dhanani	280029	1.60%

**P. PARTICULARS OF THE LAST 3 ANNUAL GENERAL MEETINGS/EXTRA GENERAL MEETING HELD**

i. The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Year	AGM	Date of AGM's	Venue of AGM and Time	No. of Special Items transacted	Special Resolution passed	Whether Chairman of the Audit Committee has attended the meeting
2018-19	36 <sup>th</sup> AGM	28.09.2019	Flat in Block No. C-3, Door No. F1 (C3/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117 Tamil Nadu	2	1. Appointment of Mr. Saquib Sallim Agboatwala (DIN-06611659) as the director (Category Independent) of the Company to hold office for 5 consecutive years from 14 <sup>th</sup> February, 2019 to 13 <sup>th</sup> February 2024. 2. Selling the entire investment of 68,93,998 Equity Shares of Malwa Hospitality Pvt. Ltd. (Subsidiary Company) to the existing director, promoters shareholders and relative of the promoters.	No
2017-18	35 <sup>th</sup> AGM	28.09.2018	Re-Gala party hall, 113/4, 200 Feet Road, Zamin Pallavaram, Chennai -600117 at 11.00 A.M.	3	1. Reappointment of Mr. Raof Razak Dhanani as Managing Director and fix remunerations. 2. To reappoint Mr. T. N. Unni as an Independent Director for the Second term of 5 Years. 3. To reappoint Mr. Pradeep Goyal as an Independent Director for the Second term of 5 Years.	Yes
2016-17	34 <sup>th</sup> AGM	29.09.2017	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	3	1. Appointment of Mr. Abhay Chaudhari as an Independent of the Company for a period of 5 Consecutive Years 2. To reappoint Mrs. Suchitra Dhanani as a whole Time Director for a period of three years. 3. To Revise the remuneration of Mrs. Suchitra Dhanani w.e.f. 1 <sup>st</sup> Apr. 2017.	Yes

## ii. Extra-ordinary General Meeting

There was no Extraordinary General Meeting held during the year 2019-2020.

### Details of Resolution in the Members and Unsecured Creditors meeting Directed by the National Company Law Tribunal

Pursuant to the Order dated July 4th, 2019, passed by the Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, in Chennai, a meeting of the Equity Shareholders and Unsecured creditors of Sayaji Hotels Limited is being convened at Chennai, Tamil Nadu on Wednesday, 14th August, 2019 at 11:00 A.M. and 12.00 P.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors ('Composite Scheme').

The board had appointed M/s Neelesh Gupta & Co., a practicing Company Secretary as a scrutinizer to conduct the postal ballot process in a fair and transparent manner and had availed the services of CDSL for the purpose of providing e-voting facility. The resolution was passed by the Unsecured Creditors and Shareholders respectively. Mr. Neelesh Gupta, Scrutinizer had submitted his report to the chairman on 16<sup>th</sup> August, 2019.

The details of the voting pattern of Equity Shareholders are given below:

<b>Resolution-1- Approval the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors ('Composite Scheme').</b>					
Particulars	No. of votes cast				% of total votes cast
	Physical	E-Voting	Postal Ballot	Total	
In favour of the resolution	18521	528300	350	547171	100.00
Against the resolution	0	0	0	0	0.00

The details of the voting pattern of Unsecured Creditors are given below:

<b>Resolution-1- Approval the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors ('Composite Scheme').</b>		
Particulars	Value of Votes cast by Unsecured Creditors(Rs.)	% of total votes cast
In favour of the resolution	6666146/-	100.00
Against the resolution	Nil	0.00

## Q. OTHER INFORMATIONS

Board Meeting for consideration of Accounts for the financial year ended on March 31, 2020.	30 <sup>th</sup> July, 2020 (Standalone) 13 <sup>th</sup> November, 2020 (Consolidated)
Date of closing of the financial year	31 <sup>st</sup> March, 2020
Email of the Annual Reports	On or before 4 <sup>th</sup> December, 2020
Book Closure Dates	16 <sup>th</sup> December, 2020 to 17 <sup>th</sup> December, 2020
No. of Shares in the Demat & % of the total shares in the Demat	1,60,18,812 Shares (91.44 % of the total paid up capital of the Company)
Total No. of shareholders as at 31.03.2020	3628
Particulars of Shares kept under the suspense A/c as per Regulation 39(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015	N.A./Nil
Details of the outstanding ADR/GDR/Warrants	Nil
Cutoff date for remote e-voting	20 <sup>th</sup> December, 2020
Remote E-Voting period	From 24 <sup>th</sup> December, 2020, 9.00 A.M. IST to 26 <sup>th</sup> December, 5.00 P.M. IST
Name of the Scrutinizers	M/s Neelesh Gupta & Co., Company Secretaries
Name of the Compliance Officer	Mr. Amit Sarraf
Last date for receipt of Proxy Forms	Not Applicable
Date, Time & Venue of the 36 Annual General Meeting	Date – 27 <sup>th</sup> December, 2020. Time – 11:00 A.M. Venue – Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)  (Deemed venue for the meeting shall be Registered Office : F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram Chennai TN 600117 IN)
Dividend Payment Date	N.A.
Probable date of dispatch of warrants	N.A.

**CERTIFICATE**  
**[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]**

**To,**  
**The Board of Directors**  
**Sayaji Hotels Limited**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sayaji Hotels Limited (“the Company”) to the best of our knowledge and belief certify that:

- (A) We have reviewed the Standalone Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2019-20 and that to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - (3) No transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company’s code of conduct.
- (B) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee
- (a) significant changes in internal control over financial reporting during the Financial Year 2019-20.
  - (b) significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
  - (c) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

**For, Sayaji Hotels Limited**

**For, Sayaji Hotels Limited**

**Date: 30.07.2020**  
**Place: Indore**

**Raof Razak Dhanani**  
**Managing Director**  
**DIN-00174654**

**Sandesh Khandelwal**  
**Chief Financial Officer**

**CERTIFICATE**  
**[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]**

**To,**  
**The Board of Directors**  
**Sayaji Hotels Limited**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sayaji Hotels Limited (“the Company”) to the best of our knowledge and belief certify that:

- (D) We have reviewed the Consolidated Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2019-20 and that to the best of our knowledge and belief, we state that:
- (4) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (5) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - (6) No transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company’s code of conduct.
- (E) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (F) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee
- (d) significant changes in internal control over financial reporting during the Financial Year 2019-20.
  - (e) significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
  - (f) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

**For Sayaji Hotels Limited**

**For Sayaji Hotels Limited**

**Date 13.11.2020**  
**Place: Indore**

**Raof Razak Dhanani**  
**Managing Director**  
**DIN-00174654**

**Sandesh Khandelwal**  
**Chief Financial Officer**

## **MANAGEMENT RESPONSIBILITY STATEMENT**

The Company's management is responsible for 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. This responsibility includes matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

These financial statements have been audited by M/s K.L. Vyas & Company, Chartered Accountants, the Statutory Auditors of the Company.

**For and on behalf of the Board of Director**

**Date: 13.11.2020**

**Place: Indore**

**Suchitra Dhanani**  
**Whole-Time Director**  
**DIN: 00712187**

**Raof Razak Dhanani**  
**Managing Director**  
**DIN : 00174654**



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website at <https://www.sayajihotels.com/investors/>.

As provided under Regulation 26 and sub-regulation (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Board Members and the Senior Management Personnel have affirmed their compliance with the Code of Conduct and Ethics for the year ended on March 31, 2020 as applicable to them and a declaration to the effect has been received from each Board Member and the Senior Management Personnel.

**For Sayaji Hotels Limited**

**Place: Mumbai  
Date: 30.07.2020**

**Raof Razak Dhanani  
Managing Director  
DIN- 00174654**

## INDEPENDENT AUDITOR'S REPORT

**To,  
The Members,  
Sayaji Hotels Limited,**

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

**Opinion**

We have audited the standalone financial statements of Sayaji Hotels Limited("the Company"), which comprise the balance sheet as at 31st March, 2020 and the statement of Profit and Loss(including Other Comprehensive Income), statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on

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

**Emphasis of matter**

We draw attention to Note 55 to the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management.

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

**Key Audit Matters**

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

Key Audit Matter	Auditor's Response
<p><b><i>Impact of COVID-19 pandemic on Going Concern</i></b></p> <p>Refer Note 55 – "Going Concern" and Note-1 (D-6) "Estimation related to COVID-19" of the standalone financial statements</p> <p>On 11th March 2020, the World Health Organization declared the Novel Corona virus (COVID-19) outbreak to be a pandemic.</p> <p>The Indian Government has imposed lock-downs across the country from 22nd March, 2020 up to 30th June, 2020. These lockdowns and restrictions due to COVID-19 pandemic have</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>Obtained an understanding from Management the procedure of preparing forecasted statements and Compared the forecasted statement of profit and loss and cash flows with the Company's business plan approved by the board of directors.</p> <p>Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and analyzed the same based on our understanding of the Company's business.</p> <p>Obtained understanding of new borrowing arrangements</p>



Key Audit Matter	Auditor's Response
<p>posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.</p> <p>The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements.</p> <p>In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.</p>	<p>subsequent to the year-end and also cash &amp; cash equivalents available with the company.</p> <p>Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-open hotels in a phased manner.</p> <p>Assessed disclosures made in the standalone financial statements with regard to the above. Refer to note 55 and note 1(D-6).</p>
<p><b>Adoption of Ind AS 116-Leases</b></p> <p>As described in Note 43 to the standalone financial statements, the Company adopted Ind AS 116 Leases ('Ind AS 116') on 1st April, 2019. The Company has recognized right-of-use assets amounting to Rs. 10631.57 Lakhs and lease liabilities aggregating 7809.33 Lakhs as of 1st April, 2019. The lease liabilities are initially measured by discounting future lease payments during the lease term as per agreement.</p> <p>Auditing the Company's adoption of Ind AS 116 involved judgment because the Company has significant number of lease contracts. Certain aspects of Ind AS 116 required the Company to exercise judgments including determination of Incremental Borrowing Rate ('IBR') and lease term.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included the following:</p> <p>We obtained an understanding and evaluated the design of controls over the Company's accounting of Ind AS 116.</p> <p>We reviewed all the lease agreements and evaluated the process of the determination of IBR and lease term.</p> <p>We checked the accuracy of the Company's computation of initial right-of-use assets and lease liabilities.</p> <p>Examined the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition in the standalone financial statements</p>

**Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 the Board of Directors 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.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free



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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information

and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls,

refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31st March, 2020 on its financial position in its standalone financial statements – Refer Note 47 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**(Himanshu Sharma)  
Partner  
M. No. 402560  
UDIN: 20402560AAAEG5773**

**Place of Signature : Indore  
Date : 30<sup>th</sup> July, 2020**

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**ANNEXURE –A TO THE AUDITORS’ REPORT**

**ANNEXURE REFERRED TO IN CLAUSE 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SAYAJI HOTELS LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020.**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details of fixed assets, however for some fixed assets, situation of the assets is not given and identification numbers are also not been given, which need to be updated. We have been informed by Management that above Work is in progress.
- (b) Physical verification of fixed assets has been carried out by the Management at most of the Units in accordance with a phased programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the conveyance deed provided to us, we report that, the title deeds, comprising of all the immovable properties of land and buildings which are freehold, are in the name of the Company as at the balance sheet date.

In respect of immovable properties been taken on lease and disclosed as Right of Use Assets in the standalone financial statements, the lease agreements are in the name of the Company, however, there is a notice for cancellation of lease by the Indore Development Authority for cancelling the lease of one leasehold land situated in Indore, which company is contesting.

- (ii) (a) The physical verification of the inventory is being conducted on a monthly basis by the management and no material discrepancies were noticed.

- (iii) (a) Company has not granted any loan to any Company, firm, LLP or any other party required to be covered in register maintained under section 189 of the Companies Act, 2013.

In view of situation explained as above provisions of clause 3 (iii) (b) & (c) of the Order are not applicable to be Company.

- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, with regard to the deposits accepted from the public. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) Central Government has not prescribed for the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013, for any of the business activity carried by the Company during the year under review.

- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees’ state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax & cess and other material statutory dues as may be applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, wealth tax, excise duty and cess were in arrears, as at 31.03.2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations

given to us, details of the dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess

which have not been deposited on account of any dispute are given below.

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>	<b>Total Amount (Rs. In Lakhs)</b>
Income Tax Act, 1961	Income Tax	A.Y.10-11	Commissioner of Income Tax (Appeals), Indore.	3.56
		A.Y.14-15	Commissioner of Income Tax (Appeals), Vadodara	1.09
M.P. Value Added Tax Act, 2002	Value Added Tax	2010-11	Appellate Tribunal, Commercial Taxes, Indore.	0.56
		2011-12		37.72
		2012-13	Commissioner (Appeal), Commercial Taxes, Indore	2.87
		2013-14		0.52
		2014-15		2.91
		2015-16		3.61
M.P. Luxury, Entertainment & Advertisement Tax Act, 2011	Luxury Tax	2011-2012	Commissioner (Appeal), Commercial Taxes, Indore	2.35
		2012-2013		40.60
		2013-2014		30.85
		2014-2015		26.01
		2015-2016		26.04
M.P. Entry Tax Act, 1976	Entry Tax	2006-2007	Commissioner (Appeal), Commercial Taxes, Indore	4.64
		2012-2013		0.01
		2014-2015		1.76
		2015-2016		17.12
M.P. Municipal Corporation Act, 1956	Property Tax	2016-2017	The Mayor-In-Council, Indore Municipal Corporation, Indore	55.12
		2017-2018		
Maharashtra Stamp Act, 1958	Stamp duty	2018-19	Inspector General of Registration, Chief Controlling Revenue Authority, Pune	32.40
			<b>TOTAL</b>	<b>289.74</b>

(viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, Government or dues to debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt

instruments) during the year, however, the Company has raised term loans during the year and were applied for the purposes for which those were raised.

(x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.



- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the

Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

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

**For K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**(Himanshu Sharma)**

**Partner**

**M. No. 402560**

**UDIN: 20402560AAAAEG5773**

**Place of Signature : Indore**

**Date : 30<sup>th</sup> July, 2020**

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## **ANNEXURE – B TO THE AUDITORS’ REPORT**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of Sayaji Hotels Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**(Himanshu Sharma)  
Partner  
M. No. 402560  
UDIN: 20402560AAAAEG5773**

**Place of Signature : Indore**

**Date : 30<sup>th</sup> July, 2020**

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**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2020**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment	2	20,923.13	14,440.91
(b) Capital Work-In-Progress	3	11.81	150.53
(c) Intangible Assets	4	2.43	17.25
(d) Investment In Subsidiary, Joint Venture & Associate	5	1,341.90	1,341.90
(e) Financial Assets			
(i) Investments	6	0.21	0.21
(ii) Loans	7	891.26	716.14
(iii) Other Financial Assets	8	107.47	94.94
(f) Deferred Tax Assets (Net)	9	1,395.81	1,280.28
(g) Other Non-Current Assets	10	124.87	878.04
<b>Total Non-Current Assets</b>		<b>24,798.89</b>	<b>18,920.20</b>
<b>2 Current assets</b>			
(a) Inventories	11	1,860.48	1,873.18
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	12	500.98	897.37
(iii) Cash and Cash Equivalents	13	365.78	411.54
(iv) Bank Balances Other Than (iii) above	14	14.04	13.20
(v) Loans	15	201.67	124.63
(vi) Other Financial Assets	16	324.64	310.63
(c) Current Tax Assets (Net)	17	4.09	-
(d) Other Current Assets	18	874.73	911.45
(e) Assets Held for Sale	19	-	574.50
<b>Total Current Assets</b>		<b>4,146.41</b>	<b>5,116.50</b>
<b>TOTAL ASSETS</b>		<b>28,945.30</b>	<b>24,036.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity Share Capital	20	1,751.80	1,751.80
(b) Other Equity	21	5,995.39	5,541.07
<b>Total Equity</b>		<b>7,747.19</b>	<b>7,292.87</b>
<b>2 LIABILITIES</b>			
<b>2.1 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	5,998.39	6,645.24
(ii) Other Financial Liabilities	23	8,953.91	2,065.57
(b) Provisions	24	601.13	645.26
(c) Deferred Tax Liabilities (Net)	9	-	-
(d) Deferred Revenue	25	451.30	511.19
<b>Total Non-Current Liabilities</b>		<b>16,004.73</b>	<b>9,867.26</b>
<b>2.2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	629.23	2,281.50
(ii) Trade Payables	27		
A. total outstanding dues of micro enterprises and small enterprises; and		15.64	16.06
B. total outstanding dues of creditors other than micro enterprises and small enterprises.		1,266.48	1,198.80
(iii) Other Financial Liabilities	28	1,792.69	1,758.13
(b) Provisions	29	515.45	561.12
(c) Current Tax Liabilities (Net)	30	-	10.62
(d) Other Current Liabilities	31	973.89	1,050.34
<b>Total Current Liabilities</b>		<b>5,193.38</b>	<b>6,876.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,945.30</b>	<b>24,036.70</b>

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> July 2020

**1-55**  
**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Rs. in Lakhs Except EPS

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	<b>Income</b>			
II	Revenue From Operations	32	20,969.43	21,824.54
III	Other Income	33	329.83	241.62
IV	<b>Total Revenue (II+III)</b>		21,299.26	22,066.16
V	<b>Expenses :</b>			
	Food and Beverages Consumed	34	4,189.72	4,380.62
	Employee Benefits Expenses	35	5,611.96	5,936.14
	Finance Costs	36	2,183.74	1,591.45
	Depreciation And Amortization Expenses	2&4	2,880.51	2,001.31
	Operating Expenses	37	4,961.67	5,015.88
	Other Expenses	38	1,378.94	2,949.54
	<b>Total Expenses</b>		<b>21,206.54</b>	<b>21,874.94</b>
VI	Profit/(Loss) before exceptional items and tax (IV-V)		92.72	191.22
VII	Exceptional items	39	469.40	184.89
VIII	<b>Profit/(Loss) before tax (VI-VII)</b>		<b>(376.68)</b>	<b>6.33</b>
IX	<b>Tax Expense :</b>			
	(1) Current Tax		191.66	249.81
	(2) Deferred Tax		(359.85)	65.37
	(3) Earlier year taxes		(28.93)	0.64
	<b>Total (IX)</b>		<b>(197.12)</b>	<b>315.82</b>
X	Profit (Loss) for the year after tax (VIII-IX)		(179.56)	(309.49)
XI	<b>Other Comprehensive Income</b>			
	(a) Items that will not be reclassified to profit or loss			
	(i) Actuarial Gain/(Loss) on Defined Benefit Plan		21.68	27.75
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(6.03)	(7.72)
	(b) Items that will be reclassified to profit or loss			
	(i) Changes in Cash Flow Hedge Reserve		(15.83)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		4.40	-
	<b>Other Comprehensive Income for the year net of tax</b>		<b>4.22</b>	<b>20.03</b>
XII	<b>Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)</b>		<b>(175.34)</b>	<b>(289.46)</b>
XIII	<b>Earnings per equity share</b>	40		
	(1) Basic		(1.71)	(2.45)
	(2) Diluted		(1.71)	(2.45)

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> July 2020

**1-55**  
**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raooif Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>A. Equity Share Capital</b> (Rs. in Lakhs)						
Balance as at 1st April, 2019	Changes in equity share capital during the year			Balance as at 31st March, 2020		
1,751.80	-			1,751.80		
<b>B. Other Equity</b> (Rs. in Lakhs)						
Particulars	Equity component of compound financial instruments	Reserve and surplus			Effective portion of Cash Flow Hedges	Total
		Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April, 2019	251.66	5,944.60	641.48	(1,296.68)	-	5,541.06
Profit/(Loss) for the year	-	-	-	(179.56)	-	(179.56)
Other Comprehensive Income for the year	-	-	-	15.65	(11.43)	4.22
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>(163.91)</b>	<b>(11.43)</b>	<b>(175.34)</b>
Cash dividends	-	-	-	-	-	-
Dividend distribution tax on cash dividend	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>251.66</b>	<b>5,944.60</b>	<b>641.48</b>	<b>(1,460.59)</b>	<b>-</b>	<b>5,365.72</b>

<b>A. Equity Share Capital</b> (Rs. in Lakhs)						
Balance as at 1st April, 2018	Changes in equity share capital during the year			Balance as at 31st March, 2018		
1,751.80	-			1,751.80		
<b>B. Other Equity</b> (Rs. in Lakhs)						
Particulars	Equity component of compound financial instruments	Reserve and surplus			Effective portion of Cash Flow Hedges	Total
		Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April, 2018	251.66	5,944.60	641.48	(1,007.21)	-	5,830.53
Profit/(Loss) for the year	-	-	-	(309.49)	-	(309.49)
Other Comprehensive Income for the year	-	-	-	20.03	-	20.03
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>(289.47)</b>	-	<b>(289.47)</b>
Cash dividends	-	-	-	-	-	-
Dividend distribution tax on cash dividend	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>251.66</b>	<b>5,944.60</b>	<b>641.48</b>	<b>(1,296.68)</b>	<b>-</b>	<b>5,541.06</b>

Significant Accounting Policies and other Notes 1-55  
These notes form an integral part of these financial statements in terms of our report attached

For and on behalf of the Board of Directors

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> July 2020

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax from continuing operations</b>	<b>(370.83)</b>	<b>34.08</b>
<b>Non-cash/Non-Operating adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation & Amortisation including adjustments	2,880.51	2,001.31
Deferred Income Amortisation	(61.30)	(77.01)
Deferred Expense Amortisation	4.69	9.15
Excess provision written back	(55.96)	(20.94)
(Profit) /Loss on Sale/Disposal of Property, Plant & Equipment	(13.15)	89.72
Interest Expense	1,080.67	1,329.93
Finance cost on lease payable & Other Financial Liabilities	886.79	2.47
Finance cost on Preference Share	216.28	215.74
Interest Received	(16.39)	(90.32)
Finance income on security deposit	(84.02)	(81.01)
Prepaid Lease charges on Security Deposit	-	15.77
Prepaid Lease income on Security Deposit	(4.68)	(4.68)
Foreign Exchange (gain)/ loss on Derivative Liability	-	43.31
Impairment Loss	0.52	52.41
Lease Rent	-	94.35
Balances Written off	2.76	29.05
Provision for doubtful debts made	19.45	4.75
<b>Operating profit before Working Capital changes</b>	<b>4,485.34</b>	<b>3,648.08</b>
<b>Adjustments for:</b>		
Increase/(Decrease) in other liabilities	200.95	293.86
Increase/(Decrease) in other financial liabilities	(492.65)	414.36
Increase/(Decrease) in provisions	(33.84)	170.68
Increase/(Decrease) in trade payables	67.26	38.38
Decrease/(Increase) in loans (financial assets)	(168.14)	(193.65)
Decrease/(Increase) in other Bank Balances	(0.84)	(13.20)
Decrease/(Increase) in Inventories	12.70	(169.10)
Decrease/(Increase) in trade receivable	374.18	(61.14)
Decrease/(Increase) in other assets	(3.47)	(135.34)
Decrease/(Increase) in other financial assets	(26.54)	(105.76)
<b>Cash generated from operations</b>	<b>4,414.95</b>	<b>3,887.17</b>
Taxes (Paid)/Refund	(177.44)	(278.53)
<b>Net Cash from Operating Activity (A)</b>	<b>4,237.51</b>	<b>3,608.64</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(635.31)	(1,941.21)
Sale/Disposal of Property, Plant & Equipment	23.40	-
Investment made in Subsidiaries	-	(15.00)
Proceeds from Sale of Investment	297.99	-
Interest Received	16.39	19.70
<b>Net Cash Flow from Investing Activity(B)</b>	<b>(297.53)</b>	<b>(1,936.51)</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of Long Term Borrowings	1,000.00	-
Repayment of Long Term Borrowings	(990.78)	(2,034.15)
Proceeds/(Repayment) of loans from others	(1,129.88)	572.45
Payment of Lease Liability	(1,262.02)	-
Interest Paid/other borrowing cost paid	(1,080.67)	(1,310.65)
<b>Net cash used in Financing Activity (C)</b>	<b>(3,463.35)</b>	<b>(2,772.35)</b>
<b>Net increase/decrease in cash and cash equivalents(A+B+C)</b>	<b>476.63</b>	<b>(1,100.22)</b>
Cash and cash equivalents at the beginning of the year	(143.41)	956.81
Cash and cash equivalents at the close of the year	333.22	(143.41)

**Notes:**

- The above cash flow statement has been prepared under the indirect method set out in Ind AS -7 'Statement of Cash Flows'.
- For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(Rs. In Lakhs)

	As at March 31, 2020	As at March 31, 2019
Balance with Banks	311.68	370.80
Cash on hand	54.10	40.74
Investment in Mutual Fund	-	-
Less: Bank Overdraft	(32.56)	(554.95)
	<b>333.22</b>	<b>(143.41)</b>

Significant Accounting Policies and other Notes 1-55  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> July 2020

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****NOTE 1 :****A. Reporting entity**

Sayaji Hotels Limited (SHL” or the “Company”), is a company domiciled in India and limited by shares (CIN: L51100TN1982PLC124332). The shares of the company are publicly traded on Bombay Stock Exchange of India Limited. The address of the Company’s registered office is F1, C2 Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai, Chennai, TN 600117. The Company is primarily engaged in the business of owning, operating & managing hotels.

The Financial Statements for the year ended 31st March, 2020, were approved by Board of Directors and authorized for issue on 30th July, 2020.

**B. Basis of Preparation****1. Statement of Compliance**

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

**2. Basis of measurement/Use of Estimates**

(i) The Financial Statements are prepared on accrual basis under the historical cost convention except certain financial assets and liabilities (including derivatives instruments) that are measured at fair value. The methods used to measure fair values are discussed in notes to financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

Assets held for sale has been measured at fair value less cost to sell.

(ii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in Part D.

**3. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.

**C. Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

**1. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

**2. Property Plant & Equipment**

**2.1. Initial recognition and measurement**

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, borrowing cost, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

**2.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in profit or loss as incurred.

**2.3. Derecognition**

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

**2.4. Depreciation/amortization**

Depreciation of each part of an item of Property, Plant and Equipment is recognized in profit or loss on a Written Down Value Method over the estimated useful lives as prescribed in Schedule II of Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of assets had been re-assessed as under based on technical evaluation, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support.

**Class of Assets**

**Useful Life**

Assets constructed on leased premises.

Over the lease period

Leasehold lands are amortized over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Freehold land is not depreciated.

Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

**3. Non-current assets (or disposal groups) held for sale**

Non-current assets (or 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 and a sale is considered highly probable. They are measured at the



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Profit or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

**4. Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

**5. Intangible assets and intangible assets under development****5.1. Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

**5.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

**5.3. Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

**5.4. Amortization**

Intangible assets having definite life are amortized on Written Down Value method in their useful lives. Useful life of computer software is estimated at five years. If life of any intangible asset is indefinite then it is not amortized and tested for Impairment at the reporting date.

**6. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

All other borrowing costs are charged to revenue as and when incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 –



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 – 'Leases' (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and (d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

**7. Investment in Subsidiary, Associate & Joint Venture**

These are Company's Separate Financial Statements. Company has opted to show investments in Subsidiary, Associates & Joint Venture at cost. Dividend from these is recognized as and when right to receive is established.

Impairment loss is recognized as per Ind AS 36.

**8. Inventories**

Stock of Food and Beverages and stores and operating supplies are carried at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, including duties and taxes (other than those refundable). Cost is determined on Weighted Average Basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

**9. Cash and Cash Equivalent**

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

**10. Government Grants**

Government grants that compensate the company for the cost of asset are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant and are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

**11. Provisions and contingent liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****12. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**13. Revenue Recognition**

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" which introduces the five-step model described as follows:-

1. Identify the contract with a customer.
2. Identify the separate performance obligations in the contract.
3. Determine the transaction Price.
4. Allocate the transaction price to the separate performance obligations.
5. Recognize revenue when (or as) each performance obligation is satisfied.

**Revenue from operations:**

The Company derives revenues primarily from sale of rooms, food and beverages, allied services relating to hotel operations such as management fees for the management of the hotels.

- A.** Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company presents revenues net of indirect taxes in statement of Profit and loss.

**B. Trade receivables and Contract Balances**

The company recognises contract assets on an amount equals to consideration related to goods and services already transferred to customers when the right to receive such consideration is conditioned upon something other than passage of time.

Unconditional right to receive consideration are recognised as trade receivable.

Trade receivable and contract assets are subject to impairment as per Ind AS 109 'Financial Instruments'.

The company recognises amount already received from customer against which transfer for goods and services are not made as contract liability.

**Interest Income**

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

**Dividend**

Dividend Income is recognized when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

**Other Income**

Other Income is recognized in the statement of profit and loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****14. Employee Benefits****14.1 Short Term Benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**14.2 Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two type:

**14.2.1 Defined contribution plans**

Defined contribution plans are those plans in which an entity pays fixed contribution to separate entities under the plan and will have no legal or constructive obligation to pay further amounts to employee in future under the Plan. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation.

**14.2.2 Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

**14.3 Long Term Employee Benefit**

Benefits under the Company's leave encashment constitute other long term employee benefits.

Leave Encashment is determined based on the available leave entitlement at the end of the year.

**15. Income Taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case is the current and deferred tax are also recognized in OCI or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under 'Income tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent it is probable evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer probable that Company will be able to absorb such credit during the specified period.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

**16. Leases As Lessee**

Ind AS 116 - Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly the company has not restated the comparative information. Further, in respect of leases that were classified as operating leases applying Ind AS 17. There is no impact on Opening Retained Earnings.

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

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

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

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.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" / "Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent" / "Other expenses", "Depreciation and amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods.

**17. Impairment of Non-financial Assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its 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 the purpose of impairment



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”, or “CGU”).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of goodwill of that CGU, if any and then the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**18. Operating Segments**

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company’s Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company’s ‘Chief Operating Decision Maker’ or ‘CODM’ within the meaning of Ind AS 108. For management purpose company is organized into major operating activity of hoteliering in India. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

**19. Dividends**

Dividends and interim dividends payable to a Company’s shareholders are recognized as changes in equity in the period in which they are approved by the shareholders’ meeting and the Board of Directors respectively.

**20. Material Prior Period Errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

**21. Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**22. Statement of Cash Flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 ‘Statement of cash flows.

**23. Financial instruments**

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

**23.1. Financial assets****Initial recognition and measurement**

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

**Subsequent measurement****Debt instruments at amortized cost**

A ‘debt instrument’ is measured at the amortized 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 amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI (Fair Value through OCI)**

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

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

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

**Debt instrument at FVTPL (Fair value through profit or loss)**

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

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity investments**

All equity investments in entities other than subsidiaries, associates and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However the company may transfer cumulative gain or loss within the equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries, associate and joint ventures are measured at cost.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (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.

**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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
- Lease Receivables under Ind AS 17.
- Loan Commitments which are not measured as at FVTPL.





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

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

Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18, if they do not contain a significant financing component

Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

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

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

**23.2 Financial liabilities****Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition**

A financial liability is derecognized 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 recognized in the statement of profit or loss.

**Derivative financial instruments**

The Company uses forwards to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

**Hedges that meet the criteria for hedge accounting are accounted for as follows:****a) Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****b) Fair Value Hedge**

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

24. The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/investments, impairment charges, exchange gain/loss on long term borrowings/ assets and changes in fair value of derivative contracts.

**D. Major Estimates made in preparing Financial Statements****1. Useful life of property, plant and equipment**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

**2. Leases**

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 there by 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 lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**3. Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

**4. Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

**5. Impairment Test of Non-Financial Assets**

The recoverable amount of investment in subsidiary is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

**6. Estimation uncertainty relating to COVID-19:**

On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to all the businesses of company and its Subsidiaries, joint ventures & associates.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

Most of the hotels of the Company were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services. With the lifting of the partial lockdown restrictions, the Company has started re-opening a few hotels in the non-containment zones, after establishing thorough and well-rehearsed safety protocols. The Company expects all the hotels to become operational in a phased manner after the lockdown is lifted and the confidence of travelers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel.

The Company has assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. Various steps have been initiated to raise finances from banks and institutions for working capital needs and long term fund requirements and the Company is in a comfortable liquidity position to meet its commitments. The Company does not foresee any disruption in raw material supplies.

The Company has also 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. Recent Accounting Pronouncements**

**Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- 1) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- 2) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- a) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly the company has not restated the comparative information.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The above amendment did not have any material impact on the amounts recognised in financial statements.

**Amendment to Ind AS 12 – Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The above amendment did not have any material impact on the amounts recognised in financial statements.

**Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- a) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- b) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The above amendment did not have any material impact on the amounts recognised in financial statements.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**
**NOTE 2: PROPERTY PLANT & EQUIPMENT**
**(Rs. In Lakhs)**

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2019	Additions	Deletions/ Adjustment	As at 31.03.2020	Upto 01.04.2019	For the Year	Deletions/ Adjustment	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>OWNED ASSETS</b>										
Freehold Land	2,634.84	-	-	2,634.84	-	-	-	-	2,634.84	2,634.84
Leasehold Land #	2,144.61	-	(2,142.17)	2.44	92.91	-	(92.91)	-	2.44	2,051.70
Buildings	11,010.52	120.89	-	11,131.41	3,469.54	1,211.59	-	4,681.13	6,450.28	7,540.98
Plant and Equipments	2,136.42	237.96	(13.37)	2,361.01	767.54	287.95	(12.57)	1,042.92	1,318.09	1,368.88
Furniture & Fixtures	1,311.64	396.81	(281.99)	1,426.46	737.75	290.08	(278.63)	749.20	677.26	573.89
Service Equipment	254.56	7.83	(4.86)	257.53	136.02	51.43	(4.67)	182.78	74.75	118.54
Vehicles	135.13	-	(81.71)	53.42	39.15	23.52	(77.63)	(14.96)	68.38	95.98
Computers	226.04	9.64	-	235.68	169.94	18.76	-	188.70	46.98	56.10
<b>RIGHT OF USE ASSETS*</b>										
Land	-	4,058.41	-	4,058.41	-	71.00	-	71.00	3,987.41	-
Hotel Properties	-	6,435.03	-	6,435.03	-	873.07	-	873.07	5,561.96	-
Offices	-	138.13	-	138.13	-	37.39	-	37.39	100.74	-
<b>Total</b>	<b>19,853.76</b>	<b>11,404.70</b>	<b>(2,524.10)</b>	<b>28,734.36</b>	<b>5,412.85</b>	<b>2,864.79</b>	<b>(466.41)</b>	<b>7,811.23</b>	<b>20,923.13</b>	<b>14,440.91</b>

# Transferred to Right of Use Assets

\*1. Right of Use assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options.

2. Amounts recognised in profit or loss:

**NOTE 3 : CAPITAL WORK-IN-PROGRESS**
**(Rs. In Lakhs)**

Particulars	As at 31.03.2020
Depreciation of Right of Use Assets	981.46
Additional Lease Payments shown as Lease Rent ^	229.89
Interest on Lease Liabilities	859.65
<b>Total</b>	<b>2,071.00</b>

^Additional Lease Payments are based on the performance i.e. Gross operating profit, revenues etc. of the Hotel property leased and for which no lease liability has been recognised as it is contingent &amp; variable in nature.

**(Rs. In Lakhs)**

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2018	Additions	Deletions/ Adjustment	As at 31.03.2019	Upto 01.04.2018	For the Year	Deletions/ Adjustment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Freehold Land	2,637.00	-	(2.16)	2,634.84	-	-	-	-	2,634.84	2,637.00
Leasehold Land	2,114.11	30.50	-	2,144.61	61.93	30.98	-	92.91	2,051.70	2,052.18
Buildings	10,186.12	919.34	(94.94)	11,010.52	2,267.51	1,266.23	(64.20)	3,469.54	7,540.98	7,918.61
Plant and Equipments	1,823.75	425.37	(112.70)	2,136.42	535.68	250.54	(18.68)	767.54	1,368.88	1,288.07
Furniture & Fixtures	987.79	378.67	(54.82)	1,311.64	519.40	259.78	(41.43)	737.75	573.89	468.39
Service Equipment	222.80	48.76	(17.00)	254.56	80.49	66.41	(10.88)	136.02	118.54	142.31
Vehicles	111.53	26.34	(2.74)	135.13	29.74	22.77	(13.36)	39.15	95.98	81.79
Computers	205.31	28.63	(7.90)	226.04	142.50	32.75	(5.31)	169.94	56.10	62.81
<b>Total</b>	<b>18,288.41</b>	<b>1,857.61</b>	<b>(292.26)</b>	<b>19,853.76</b>	<b>3,637.25</b>	<b>1,929.46</b>	<b>(153.86)</b>	<b>5,412.85</b>	<b>14,440.91</b>	<b>14,651.16</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 3 : CAPITAL WORK-IN-PROGRESS**

(Rs. In Lakhs)

Particulars	As at 01.04.2019	Additions	Capitalised during the year	As at 31.03.2020
Capital work in progress	150.53	705.16	843.88	11.81
<b>Total</b>	<b>150.53</b>	<b>705.16</b>	<b>843.88</b>	<b>11.81</b>

(Rs. In Lakhs)

Particulars	As at 01.04.2018	Additions	Capitalised during the year	As at 31.03.2019
Capital work in progress	35.47	115.06	-	150.53
<b>Total</b>	<b>35.47</b>	<b>115.06</b>	<b>-</b>	<b>150.53</b>

**The amount of expenditures recognised in CWIP during construction period**

(Rs. In Lakhs)

Particulars	For the year Ended as on 31.03.2020	For the year Ended as on 31.03.2019
(a) Expenses Recognised in P/L Employee Benefits Expenses	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>
(b) Capital Inventory and stores	705.16	115.06
<b>Total additions during the year (a) + (b)</b>	<b>705.16</b>	<b>115.06</b>

^carried to Capital Work in Progress (Note 3)

**NOTE 4 : INTANGIBLE ASSETS**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2019	Additions	Deletions/ Adjustment	As at 31.03.2020	Upto 01.04.2019	For the Year	Deletions/ Adjustment	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Software & Licences	116.36	0.90	-	117.26	99.11	15.72	-	114.83	2.43	17.25
<b>Total</b>	<b>116.36</b>	<b>0.90</b>	<b>-</b>	<b>117.26</b>	<b>99.11</b>	<b>15.72</b>	<b>-</b>	<b>114.83</b>	<b>2.43</b>	<b>17.25</b>

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2018	Additions	Deletions/ Adjustment	As at 31.03.2019	Upto 01.04.2018	For the Year	Deletions/ Adjustment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Software & Licences	99.16	17.20	-	116.36	27.28	71.85	(0.02)	99.11	17.25	71.88
<b>Total</b>	<b>99.16</b>	<b>17.20</b>	<b>-</b>	<b>116.36</b>	<b>27.28</b>	<b>71.85</b>	<b>(0.02)</b>	<b>99.11</b>	<b>17.25</b>	<b>71.88</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NON CURRENT ASSETS**

**NOTE 5 : Investment in Subsidiary**

(Rs. In Lakhs)

Particulars	Number of shares Current Year / (Previous Year) / [Date of Transition]	Face Value per share Current Year / (Previous Year) / [Date of Transition]	As at 31st March, 2020	As at 31st March, 2019
<b>Subsidiary* (Unquoted at cost)</b>				
Sayaji Housekeeping Services Ltd (Equity Shares)	63,65,000 (6365000)	10 (10)	636.50	636.50
Sayaji Housekeeping Services Ltd (Preference Shares)	10,000 (10000)	10 (10)	1.00	1.00
Malwa Hospitality Pvt. Ltd. (Equity Shares)	68,93,998 (6893998)	10 (10)	689.40	689.40
Sayaji Hotels(Vadodara) Limited	50000	10	5.00	5.00
Sayaji Hotels Management limited	50000	10	5.00	5.00
Sayaji Hotels(Pune) Limited	50000	10	5.00	5.00
<b>Total</b>			<b>1,341.90</b>	<b>1,341.90</b>
<b>Aggregate value of unquoted investments</b>			<b>1,341.90</b>	<b>1,341.90</b>

\* As per Ind AS 27 (Separate Financial Statements)

\*\*Aries Hotels Pvt Ltd has been held for sale in Current year and is thus classified as the same under Note No.19

**NOTE 6 : Non Current Financial Asset : Investments**

(Rs. In Lakhs)

Particulars	Number of shares Current Year / (Previous Year)	Face Value per share Current Year / (Previous Year)	As at 31st March, 2020	As at 31st March, 2019
<b>A. Trade Investments (Unquoted At FVTPL#)*</b>				
Genex Hotels Pvt. Ltd.	1,100 (1,100)	10.00 (10.00)	0.11	0.11
Winner Hotels Pvt. Ltd	2,300 (2,300)	10.00 (10.00)	0.23	0.23
Less: Provision for Impairment			(0.23)	(0.23)
<b>Sub-Total (A)</b>	<b>0.11</b>	<b>0.11</b>		
<b>B. Other Investments (Unquoted at FVTPL)*</b>				
Bharat Equity Services Ltd.	1,00,000 (100000)	10.00 (10.00)	0.10	0.10
<b>Sub-Total (B)</b>			<b>0.10</b>	<b>0.10</b>
<b>Total (A+B)</b>			<b>0.21</b>	<b>0.21</b>
<b>Aggregate value of unquoted investments</b>			<b>0.21</b>	<b>0.21</b>

\* As per Ind AS 27 (Separate Financial Statements)

# FVTPL - Fair Value Through Profit and Loss

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 7 : Non Current Financial Asset: Loans**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good		
Security Deposits*	891.26	716.14
Less: Receivables credit impaired	-	-
Less: Receivable with significant increase in credit risk	-	-
<b>Total</b>	<b>891.26</b>	<b>716.14</b>

\*As on 31.03.2020 Include Rs. 758.11 lacs (Previous year Rs.682.34 lacs) deposit given to Prinrite Hospitality Pvt Ltd and Rs.57.17lacs (31 March, 2019 Rs. 51.31 Lakhs) given to M/s Vicon Imperial Private Ltd.

**NOTE 8 : Non-current Financial Assets: Others**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposits Against lien & Bank Guarantee*	107.47	94.94
<b>Total</b>	<b>107.47</b>	<b>94.94</b>

\*Maturity after 12 months & pledged with bank against margin money.

**NOTE 9 : Deferred Tax assets (net)**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>On account of Timing Difference in</b>		
Expenses Disallowed under I.T. Act., 1961	250.95	179.51
Depreciation on fixed assets	1,270.17	1,081.88
Right of Use Assets (Net of Lease Liabilities)	116.27	-
Life Membership fees	-	
Security deposit (Assets)	-	
Leasehold Land	-	
Impairment on value of Investment in subsidiaries	-	49.67
Others	16.58	16.62
<b>Total Deferred Tax Assets</b>	<b>1,653.97</b>	<b>1,327.68</b>
Others	6.21	4.25
Liability component of Preference Shares	234.38	-
Cash flow Hedge	4.40	-
Transaction cost on borrowings	13.17	43.15
<b>Total Deferred Tax Liabilities</b>	<b>258.16</b>	<b>47.40</b>
<b>Net Deferred Tax(Liability)/Assets*</b>	<b>1,395.81</b>	<b>1,280.28</b>
<b>Amount debited/(Credited) to Reserves &amp; Surplus</b>	<b>(115.53)</b>	<b>73.09</b>

\* Deferred tax liability for the year have been arrived at by taking the tax rate of 27.82% ( 31 March, 2019 27.82%) which is inclusive of education cess.





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Movement in Deferred Tax Asset/Liability For the year ended 31st March, 2020**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2019	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2020
<b>Deferred tax assets :</b>				
Expenses Disallowed under I.T. Act., 1961	179.51	77.47	(6.03)	250.95
Depreciation on fixed assets	1,081.88	188.29	-	1,270.17
Right of Use Assets (Net of Lease Liabilities)	-	116.27	-	116.27
On cash Flow hedge reserve	-	-	-	-
Security deposit (Assets)	-	-	-	-
Leasehold Land	-	-	-	-
Impairment on value of Investment in subsidiaries	49.67	(49.67)	-	-
Others	16.62	(0.04)	-	16.58
<b>Total Deferred Tax Assets</b>	<b>1,327.68</b>	<b>332.32</b>	<b>(6.03)</b>	<b>1,653.97</b>
<b>Deferred tax Liabilities:</b>				
Others	4.25	1.96	-	6.21
Liability component of Preference shares	-	(8.31)	242.69	234.38
Cash flow Hedge	-	-	4.40	4.40
Transaction cost on borrowings	43.15	(29.98)	-	13.17
<b>Total Deferred Tax Liabilities</b>	<b>47.40</b>	<b>(36.33)</b>	<b>247.09</b>	<b>258.16</b>
<b>Net Deferred Tax(Liability)/Assets</b>	<b>1,280.28</b>	<b>368.65</b>	<b>(253.12)</b>	<b>1,395.81</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 10 : Other non-current assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Prepaid Lease Charges	-	697.28
Capital Advances*	4.00	20.81
Raipur Lease- Stamp Duty Payment Unamortised	51.54	56.23
Electricity Deposit & Other Deposits	69.33	103.72
<b>Total</b>	<b>124.87</b>	<b>878.04</b>

\*Given for business purpose.

**CURRENT ASSETS**

**NOTE 11 : Inventories**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(Valued at cost or NRV whichever is less &amp; certified by management)</b>		
Operating Supplies	1,717.45	1,724.06
Food & Beverages	143.03	149.12
<b>Total</b>	<b>1,860.48</b>	<b>1,873.18</b>

**Disclosure As per Ind AS 2, Inventories**

**(i) Amount of inventories recognised as expense during the year is as under:**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Operating Supplies	1,139.08	1,270.78
Food & Beverages	4,189.72	4,380.62
Shopping Arcade Stock	-	-
<b>Total</b>	<b>5,328.80</b>	<b>5,651.40</b>

(ii) Refer Note 26.1 for information on inventory pledged as security by the Company.

**NOTE 12 : Current Financial Assets: Trade Receivables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured</b>		
Considered Good	515.99	934.34
<b>Others</b>		
Considered good	-	-
Less: Receivable with significant increase in credit risk	(15.01)	(36.97)
Less: Receivables credit impaired	-	-
<b>Total</b>	<b>500.98</b>	<b>897.37</b>

**NOTE 13 : Cash and Cash Equivalents**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Cash on Hand</b>		
<b>Balances with Bank</b>		
In current Accounts With Scheduled Bank	311.68	370.80
Investment in Liquid Fund	-	-
<b>Total</b>	<b>365.78</b>	<b>411.54</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**
**NOTE 14 : Bank balances other than above**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposits Against lien (with less than 12 months maturity)	14.04	13.20
<b>Total</b>	<b>14.04</b>	<b>13.20</b>

**NOTE 15 : Current Financial Assets: Loans**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, Considered good</b>		
Staff Advances & Loan	19.84	22.75
Other loans and advances*	181.83	101.88
Less: Receivables credit impaired	-	-
Less: Receivable with significant increase in credit risk	-	-
<b>Total</b>	<b>201.67</b>	<b>124.63</b>

\*Loans and advances have been given for business purposes.

**NOTE 16 : Current Financial Assets: Other**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Electricity Deposit	-	-
Telephone Deposit	0.34	0.34
Others	324.30	312.01
Receivable against Sale of Restaurant *	-	-
Less: Provision for doubtful advances	-	(1.72)
<b>Total</b>	<b>324.64</b>	<b>310.63</b>

**NOTE 17 : Current Tax Assets (Net)**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Income Tax (Net of Current Tax Provision)	4.09	-
<b>Total</b>	<b>4.09</b>	<b>-</b>

**NOTE 18 : Other current assets**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Prepaid Expenses	93.22	117.20
Current portion of Unamortised Stamp Duty Payment of Raipur Lease 4.69	4.69	-
Prepaid lease charges	-	96.07
Other current assets*	-	-
Advance to suppliers for goods & services*	45.91	65.20
Balance with Govt. authorities	730.91	628.29
<b>Total</b>	<b>874.73</b>	<b>911.45</b>

\*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.

**NOTE 19 : Asset Held for Sale**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in Subsidiary		
Aries Hotels Private Limited	-	770.20
Less: Provision for Impairment (52,18,000 shares of Rs 10 each)	-	(195.70)
<b>Total</b>	<b>-</b>	<b>574.50</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**EQUITY**

**NOTE 20 : Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>AUTHORISED</b>		
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity Shares of Rs.10/- each)	3,000.00	3,000.00
1,000,000 Preference Shares of Rs. 100/- each (Previous year 1,000,000 Preference Shares of Rs. 100/- each)	1,000.00	1,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>ISSUED</b>		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>
<b>SUBSCRIBED &amp; PAID-UP</b>		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>

**Terms/rights attached to equity shares :**

**20.1** The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2020, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (31 March 2019, Rs. Nil)

**20.2** Details of Share holders holding more than 5% of Shares are as under:-

Name	Category	As at 31st March, 2020		As at 31st March, 2019	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Late Shri Sajid R. Dhanani*	Promoter	13.90%	2435511	13.90%	2435511
Raof Razak Dhanani	Promoter	22.26%	3898751	22.26%	3898651
Anisha Raof Dhanani	Promoter	-	-	-	-
Kayum Razak Dhanani	Promoter	14.61%	2559288	14.61%	2559288
Ahilya Hotels Limited	Promoter	14.01%	2455000	14.01%	2455000

\*(Share transmission is pending in the name of legal heirs)

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

**20.3** Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Name	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares	Rs. in Lakhs	No of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	17,51,80,000	1,751.80	17,51,80,000	1,751.80
Add : Fresh issue during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>17,51,80,000</b>	<b>1,751.80</b>	<b>17,51,80,000</b>	<b>1,751.80</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**20.4** Preference Share Capital issued by the company are treated as Compound Financial Instruments in terms of Ind AS 32- Financial Instrument: Presentation. Accordingly same is classified as other equity and borrowings. Necessary disclosures are given in note no. 20 & 21

**NOTE 21 : Other Equity**

**(Rs. In Lakhs)**

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
Equity Component of Cummulative Preference Shares	21.1	881.32	251.66
Securities Premium Reserve	21.2	5,944.60	5,944.60
General Reserve	21.3	641.48	641.48
Retained Earnings	21.4	(1,460.58)	(1,296.67)
Cash Flow Hedge Reserve	21.5	(11.43)	-
<b>Total</b>		<b>5,995.39</b>	<b>5,541.07</b>

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>21.1 Equity Component of Compound financial instrument</b>		
Opening at beginning	251.66	251.66
Addition during the year (Net of Taxes)	629.66	-
Utilised during the year	-	-
<b>Closing at end</b>	<b>881.32</b>	<b>251.66</b>
<b>21.2 Securities Premium Reserve</b>		
Opening at beginning	5,944.60	5,944.60
Addition during the year	-	-
Utilised during the year	-	-
<b>Closing at end</b>	<b>5,944.60</b>	<b>5,944.60</b>
<b>21.3 General Reserve</b>		
Opening at beginning	641.48	641.48
Addition during the year	-	-
Utilised during the year	-	-
<b>Closing at end</b>	<b>641.48</b>	<b>641.48</b>
<b>21.4 Retained Earnings</b>		
Opening at beginning	(1,296.67)	(1,007.21)
Adjustments relating to Fixed Assets	-	-
Addition during the year	(179.56)	(309.49)
Net actuarial Gain / (Loss) on defined benefit plan	15.65	20.03
<b>Closing at end</b>	<b>(1,460.58)</b>	<b>(1,296.67)</b>
<b>21.5 Cash Flow Hedge Reserve</b>		
Opening at beginning	-	-
Addition during the year	(11.43)	-
Closing at end	(11.43)	-
<b>Total Other Equity</b>	<b>5,995.39</b>	<b>5,541.07</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Terms/rights attached to preference shares :**

- 21.6** That during Financial year 2014-15 company had issued 10,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs.50/- each. Out of above, pending 83338 shares were subscribed & paid up during the year 2015-16.(P.Y. 10,00,000 Preference Shares) of Rs.100/- each)
- 21.7** That above shares were to be redeemed within five years from the date of issue of same, but the redemption period of the 10% Cumulative Preference shares is extended by the Preference Shareholders mutually for the further period of 5 years from the original date of the allotment.
- 21.8** These shares are in the nature of compound financial instruments. And so they are bifurcated into equity and liability component in accordance with Ind AS 32. Equity component is computed as below:

Particulars	(Rs. in Lakhs)
Preference Share Capital (Subscribed and paid up)	1,000.00
Add: Securities Premium on issue	500.00
Less: Liability component (Present value of Contractual Cash Outflows)	(1,751.66)
Add: Addition during the year	(629.66)
<b>Equity Component</b>	<b>(881.32)</b>

- 21.9** That above Preference share holders are having preference over payment of dividend to equity share holders and accordingly arrears of preference dividend is required to be cleared before payment to Equity Share holders. And on the date of Balance Sheet, dividend on preference shares for more than 3 years are in arrears. And accordingly vide Second Proviso to Section 47(2) of the Companies Act, 2013, in case company is unable to pay dividend on preference shares for two years or more then such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

- 21.10** Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:-

Name	Category	As at 31st March, 2020		As at 31st March, 2019	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Saba Dhanani	Promoter	12.5%	125000	12.5%	125000
Azhar Dhanani	Promoter	12.5%	125000	12.5%	125000
Zuber Yusuf Dhanani	Promoter	12.5%	125000	12.5%	125000
Sadiya Dhanani	Promoter	12.5%	125000	12.5%	125000
Kayum Dhanani	Promoter	12.5%	125000	12.5%	125000
Sara Dhanani	Promoter	12.5%	125000	12.5%	125000
Sanya Dhanani	Promoter	12.5%	125000	12.5%	125000
Suchitra Dhanani	Promoter	12.5%	125000	12.5%	125000

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

**NOTE 22 : Non-current Liabilities: Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>A. Secured Borrowing</b>		
<b>Term Loans</b>		
From Banks	2,003.60	2,482.88
From Financial Institutions	916.31	303.92
From NBFC	1,720.96	1,844.84
<b>Total(A)</b>	<b>4,640.87</b>	<b>4,631.64</b>
<b>B. Unsecured Borrowing</b>		
Liability Component of Cumulative Preference Shares	1,357.52	2,013.60
Loans from Related Parties	-	-
<b>Total(B)</b>	<b>1,357.52</b>	<b>2,013.60</b>
<b>Total(A+B)</b>	<b>5,998.39</b>	<b>6,645.24</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**22.1** Due to the disruptions caused by the Covid-19 pandemic and its effects on the businesses, Reserve Bank of India has announced certain relief measures and allowed moratorium for the principal and interest amount falling due during the period March'20 to 31st August,2020. Company has opted for the moratorium and calculated the amount due within next 12 months accordingly.

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non-Current	Current	Non-Current
<b>From Banks</b>				
State Bank of India	317.01	592.28	364.00	918.43
Axis Bank Ltd	285.53	1,373.37	618.96	1,512.43
HDFC Bank Ltd	15.33	37.95	15.43	52.02
<b>Sub Total (i)</b>	<b>617.87</b>	<b>2,003.60</b>	<b>998.39</b>	<b>2,482.88</b>
<b>From Financial Institutions</b>				
TFCI	380.00	916.31	400.00	303.91
<b>Sub Total (ii)</b>	<b>380.00</b>	<b>916.31</b>	<b>400.00</b>	<b>303.91</b>
From NBFC				
Aditya Birla Finance Ltd	152.53	1,720.96	259.85	1,844.85
<b>Sub Total (iii)</b>	<b>152.53</b>	<b>1,720.96</b>	<b>259.85</b>	<b>1,844.85</b>
<b>GRAND TOTAL (i)+(ii)+(iii)</b>	<b>1,150.40</b>	<b>4,640.87</b>	<b>1,658.24</b>	<b>4,631.64</b>

**22.2 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN**

**22.2.1** Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, HDFC Bank Ltd.

**22.2.2** Term loans outstanding of State Bank of India include term loans account. Loan are secured by way of mortgage of land & building at Indore hotel, Vadodara,Pune and Lease Hold Rights of the Amber Convention Center along with building Structure thereon & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores,spares, book-debts (excluding credit card receivables), bills etc. offered specifically to the bankers for securing the working capital finance. The terms of repayment of all term loans of State Bank of India is on quarterly basis & interest is payable on monthly basis.

**22.2.3** Term loans outstanding of Axis Bank Ltd include term loans account and corporate loan. Term loan outstanding is secured by way of first charge on Company's Indore, Pune and Vadodara Hotel's entire fixed assets, present & future, ranking parri passu with other existing term lenders. The term of repayment is on monthly basis for term loan and corporate loan & interest is payable on monthly basis.

**22.2.4** Vehicle loans outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.

**22.2.5** Secured term loans from Financial Institutions & others includes term loan outstanding of Tourism Finance Corporation of India Ltd (TFCIL) and Aditya Birla Finance Limited.

**22.2.6** Term loan outstanding from TFCIL is secured on pari-passu basis by way of mortgage of land & building at Indore, Pune & Vadodara & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores,spares, book-debts (excluding credit card receivables), bills etc. And by way of Mortgage of lease hold right of Amber Garden, Indore along with building Structure thereon and first charge by way of hypothecation of movables of Bhopal Club project, Bhopal. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis, This loan is personally guaranteed by Smt Suchitra Dhanani.

**22.2.7** Corporate loan outstanding from Aditya Birla is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Pune, Vadodara, Lease Hold Rights of the Amber Convention Center along with building and Hypothecation of the plant and machinery and other movable fixed assets of company (present and future except vehicles Funded through Vehicle Loan). The term of repayment of prinipal and interest is on monthly basis

**NOTE 23 : Non Current Financial Liabilities: Other**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 1st March, 2019
Deposits From Tenants	48.01	46.95
Finance lease payable	-	18.62
Lease Liability Payable	6,905.90	-
Others*	2,000.00	2,000.00
<b>Total</b>	<b>8,953.91</b>	<b>2,065.57</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 24 : Provisions**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits		
Provision for Gratuity	346.59	297.42
Leave Encashment*	254.54	347.84
<b>Total</b>	<b>601.13</b>	<b>645.26</b>

\*The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

**NOTE 25 : Deferred Revenue**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(a) Subsidy received from M.P. State Tourism Development Corp. Ltd.*</b>		
<b>Balance at the beginning of the year</b>	530.12	600.44
Add: Received During the Year	-	-
Less: Amortised During the Year	(61.30)	(70.32)
	468.82	530.12
Less : Current Portion	(53.21)	(61.30)
<b>Non Current Balance at the end of the year</b>	<b>415.61</b>	<b>468.82</b>
<b>(b) Life Membership Fees</b>		
Balance at the beginning of the year	49.07	55.76
Add: Received During the Year	-	-
Less: Amortised During the Year	(6.69)	(6.69)
	42.38	49.07
Less : Current Portion	(6.69)	(6.69)
<b>Non Current Balance at the end of the year</b>	<b>35.69</b>	<b>42.38</b>
<b>Total Balance at the end of the year</b>	<b>451.30</b>	<b>511.19</b>

\* During year 2016-17, company has received Capital Subsidy under M.P. Tourism Policy, 2010 (as amended in 2014) amounting to Rs. 729.93 Lacs against its "Amber Convention Centre", Indore. As per AS-12 "Accounting for Government Grants", the above subsidy is treated as deferred income and is recognised in profit and loss account on a systematic and rational basis over the useful life of assets. Such allocation has been made over the periods and in proportions in which depreciation on "Amber Convention Centre" is charged.

**CURRENT LIABILITIES**

**NOTE 26 : Current Financial Liabilities : Borrowings**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>A. Secured</b>		
Working capital facilities from Banks	32.56	554.95
<b>Total (A)</b>	<b>32.56</b>	<b>554.95</b>
<b>B. Unsecured</b>		
Loans From related parties	25.07	1,007.79
Loans From others	571.60	718.76
<b>Total (B)</b>	<b>596.67</b>	<b>1,726.55</b>
<b>Total (A+B)</b>	<b>629.23</b>	<b>2,281.50</b>





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**26.1** Working capital facilities include Cash Credit Facilities from Axis Bank outstanding Rs.32.56 lacs (at 31 March 2019- Rs.554.95lacs), both of which are secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. of the company and also by way of a second charge on the immovable properties of the company at Indore, Baroda and Pune.

**26.2** Loans from related parties & others includes loan from directors & associate companies.

**NOTE 27 : Current Financial Liabilities: Trade Payables**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables*		
(A) Dues of micro enterprises and small enterprises	15.64	16.06
(B) Dues of creditors other than micro enterprises and small enterprises	1,266.48	1,198.80
<b>Total</b>	<b>1,282.12</b>	<b>1,214.86</b>

\*Trade payables are for goods purchased and services taken during the normal course of business

**27.1** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 The principal amount and the interest due thereon remaining unpaid to any supplier as at the year end:

Principal amount due to micro and small enterprises	15.64	16.06
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, alongwith the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-

**NOTE 28 : Current Financial Liabilities: Other**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Current Maturities of Long-Term Loans*</b>		
<b>A. Secured Term Loans</b>		
From Banks	617.87	998.39
From Financial Institutions	380.00	400.00
From NBFC	152.53	259.85
<b>Total (A)</b>	<b>1,150.40</b>	<b>1,658.24</b>
<b>B. Secured Term Loans</b>		
From Banks	-	-
From NBFC	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>B. Others</b>		
Creditors for capital Expenditure	119.58	43.12
Lease Liability Payable	501.06	-
Finance Lease Obligation	-	1.89
Prepaid Lease Income	17.23	22.78
Derivative Liabilities	4.42	32.10
<b>Total (B)</b>	<b>642.29</b>	<b>99.89</b>
<b>Total (A+B)</b>	<b>1,792.69</b>	<b>1,758.13</b>

\* Refer note no.- 22.1 & 22.2 for loanwise current maturities and other terms and conditions.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 29 : Provisions**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits		
Provision for Gratuity	76.42	64.96
Leave Encashment	56.12	22.82
Bonus	192.95	190.09
Provision for Expenses	189.96	283.25
<b>Total</b>	<b>515.45</b>	<b>561.12</b>

**NOTE 30 : Current Tax Liabilities (Net)**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for current year Tax	-	10.62
<b>Total</b>	<b>-</b>	<b>10.62</b>

**NOTE 31 : Other Current Liabilities**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance received from customers	410.95	286.11
Current portion of deferred revenue	59.90	67.99
Statutory Dues	400.53	337.91
Advance received for sale of Investments*	-	275.99
Book Overdrafts	92.51	5.19
Others	10.00	77.15
<b>Total</b>	<b>973.89</b>	<b>1,050.34</b>

31.1 Advances received from customers includes advances against future bookings for functions to be held in next 12 months.

31.2 Statutory dues includes GST, VAT, luxury tax, TDS, service tax & other statutory payables.

31.3 Other current liabilities includes rent payable, interest payable and staff dues.

31.4 Advance received for sale of Investment in subsidiary (Aries Hotels Private Ltd) from promoters of the company such investment is classified as held for sale (Refer note no 19).

**NOTE 32 : Revenue From Operations**

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Sale of Products &amp; Services (Gross)</b>		
Rooms	7,721.20	7,608.77
Food and Beverages	11,354.95	12,214.93
Other Services*	1,893.28	2,000.84
<b>Total</b>	<b>20,969.43</b>	<b>21,824.54</b>

\*Revenue from others services includes income from club, rental income and income from banquet service etc.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 33: Other Income**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Earned	16.39	9.31
Finance income on security deposit	84.02	81.01
Other Non –Operating Income	112.16	60.04
Excess/(Short) Provision of Earlier Year Written Back	55.96	20.94
Deferred Revenue Income (Subsidy)	61.30	70.32
<b>Total</b>	<b>329.83</b>	<b>241.62</b>

**NOTE 34 : Food & Beverages Consumed**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Stock	149.12	124.93
Add : Purchases*	4,183.63	4,404.81
	<b>4,332.75</b>	<b>4,529.74</b>
Less : Closing Stock	143.03	149.12
<b>Total</b>	<b>4,189.72</b>	<b>4,380.62</b>

\*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.

**NOTE 35 : Employee Benefit Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries, Wages and Allowances	5,056.50	5,309.93
Contribution to P.F. and other Funds	325.77	360.23
Workmen and Staff Welfare Expenses	65.39	96.20
Workmen and Staff Uniform Expenses	164.30	169.78
<b>Total</b>	<b>5,611.96</b>	<b>5,936.14</b>

**NOTE 36 : Finance Cost**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on term Loan	604.12	838.30
Interest on Others	471.41	489.52
Finance cost on lease payable & Other Financial Liabilities	886.79	2.47
Other expenses	5.14	2.11
Finance cost on Preference Share	216.28	215.74
Foreign Exchange Fluctuation	-	43.31
<b>Total</b>	<b>2,183.74</b>	<b>1,591.45</b>

Interest expense includes interest paid on term loans & vehicle loans. Interest on others includes interest on credit facilities. Other expenses includes bank charges, processing fees & upfront fees of loans. Other borrowing cost includes forward premium.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 37 : Operating Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Stores & Operating Supplies*	526.25	698.17
Repairs and Maintenance		
Building	477.17	163.38
Plant & Machinery	156.87	165.69
Others	217.95	173.07
Laundry Expenses	228.09	237.95
Guest pick up Expenses	245.63	291.22
Cable TV Expenses	29.51	23.82
Banquet Service expenses	680.07	856.07
Other Operating Expenses**	612.83	572.61
Power and Fuel	1,787.30	1,833.90
<b>Total</b>	<b>4,961.67</b>	<b>5,015.88</b>

\*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

\*\*Other Operating Expenses includes house keeping & upkeep expenses, expenses for F&B operations & club.

**NOTE 38 : Other Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Lease Rent	229.89	1,608.07
Rates & Taxes	176.67	173.98
Insurance	26.21	26.03
Travelling and Conveyance	74.03	115.46
Postage, Telegram and Telephones	63.51	75.07
Advertisement and Publicity	77.08	89.87
Legal & Professional	215.14	231.81
Printing and Stationery	47.79	53.55
Credit Card Commission	107.74	115.50
Other Expenses	341.30	274.27
Auditors' Remuneration		
Statutory audit	8.00	8.00
Certification other matters	2.00	2.00
Sundry Balances W/off	2.76	29.05
Provision for doubtful debts	19.45	4.75
Loss on Impairment of Investment	0.52	52.41
Loss On Disposal/Retirement of Assets	(13.15)	89.72
<b>Total</b>	<b>1,378.94</b>	<b>2,949.54</b>

**NOTE 39 : Exceptional Items Expense/(Income)**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Litigation Settlement*	-	184.89
Payments under Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019**	469.40	-
<b>Total</b>	<b>469.40</b>	<b>184.89</b>

\*Litigation Settlement of Rs. 184.89 lakhs (Net) is the settlement amount as per the District Court order dated 23.02.2019 in the matter of dispute between the company and party regarding a portion of land. Company has got clear possession of the land as per the Court's order.

\*\*Company has opted the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 announced by the Government for settlement of disputed matters of Service Tax, Excise etc. Total amount involved under such disputed matters was 992.70 lakhs which has been settled under the Scheme at Rs. 469.40 lakhs.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 40 : Earnings Per Share**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a) Amount used as the numerator profit after tax	(179.56)	(309.49)
Less: Dividend on Preference Shares & Income Tax Thereon	120.56	120.36
Net Profit/(Loss) attributable to equity share holders	(300.12)	(429.85)
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	1,75,18,000	1,75,18,000
Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.	-	-
Weighted average number of shares used in computing Diluted Earning per Share	1,75,18,000	1,75,18,000
c) Nominal value per share	10	10
d) Earnings Per Share:		
- Basic	(1.71)	(2.45)
- Diluted	(1.71)	(2.45)

**NOTE 41 : Disclosure as per Ind AS-7, Cash Flow Statement**

The Company has accessed the following undrawn facilities at the end of reporting period

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Working capital Loans</b>		
Expiring Within One Year	842.44	320.05
<b>Floating Rate Borrowings</b>		
Expiring Within One Year	-	131.00

**NOTE 42 : Disclosure As per Ind AS-12 Income Taxes**

**i) Income Tax recognised in statement of profit & loss account.**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Current Tax Expenses</b>		
Current year	191.66	249.81
Adjustment for earlier year	(28.93)	0.64
<b>Total current Tax expenses</b>	<b>162.73</b>	<b>250.45</b>
Deferred Tax Expenses	(359.85)	65.37
<b>Total Income tax expenses</b>	<b>(197.12)</b>	<b>315.82</b>

**ii) Income tax recognised in other comprehensive income**

(Rs. In Lakhs)

Particular	For the year ended 31st March, 2020			For the year ended 31st March, 2019		
	Before tax	Tax expense/ Benefit	Net of tax	Before tax	Tax expense/ Benefit	Net of tax
- Net actuarial gain/loss on defined benefit plan	21.68	(6.03)	15.65	27.75	(7.72)	20.03
- Changes in cash flow hedge reserve	(15.83)	4.40	(11.43)	-	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Profit before tax</b>	<b>(376.68)</b>	<b>6.33</b>
<b>Tax using company's domestic tax rate 27.82%(P.Y. 27.82%)</b>	<b>(104.79)</b>	<b>1.76</b>
Add/(Less): Earlier Year tax	(28.93)	0.64
Add/(Less): Expenses not Allowed in Income Tax	(6.85)	267.61
Add/(Less): Deferred Tax Expense	-	65.37
Add/(Less): Exempt Income	(17.05)	(19.56)
Add/(Less): Others	(39.50)	
<b>Tax as per Statement of Profit &amp; Loss</b>	<b>(197.12)</b>	<b>315.82</b>
<b>Effective Rate Of Tax</b>	<b>52.33%</b>	<b>4989.27%</b>

**NOTE 43 : Disclosure as per Ind AS-116, Leases**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 by adopting 'modified retrospective approach' and accordingly company has not restated the comparative information. Further, in respect of leases that were classified as operating leases applying Ind AS 17, there is no impact on opening retained earnings. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset is measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments, relating to that lease recognised in the balance sheet immediately before the date of initial application i.e. 01.04.2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use assets' of Rs.10631.57 lakhs and a lease liability of Rs.7809.33 lakhs. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Consequent to the application of this standard, lease cost for the year was lower by Rs.1262.01 lakhs, depreciation and interest is higher by Rs. 981.45 lakhs and Rs. 859.65 lakhs respectively and Profit before taxes is lower by Rs.579.09 lakhs. (Refer Note 2 for details with respect to 'Right-of-Use assets')

The summary of practical expedients elected on initial application is as follows:

- The company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- The company has not recognised right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

- The company has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

"The Company has taken land on operating lease. The lease of hotel properties are generally long term in nature with varying terms and renewal rights expiring within five years to one hundred & ninety eight years. On renewal, the terms of the leases are renegotiated.

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2020
Minimum Lease payment/ Fixed Rentals	1,491.90
Contingent rent recognised in Profit or Loss as Lease Cost.	(1,262.01)
<b>Total</b>	<b>229.89</b>

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

**(Rs. In Lakhs)**

Particulars	31st March, 2020
<b>Minimum Lease payment</b>	
Not later than one year; (including notional interest component)	1,314.72
Later than one year and not later than five years;	3,870.90
Later than five years;	30,479.68
<b>Total</b>	<b>35,665.30</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

The bifurcation of total lease liabilities into Current and Non-Current is as follows:

(Rs. In Lakhs)

Particulars	31st March, 2020
Current (excluding interest component on lease liability)	501.06
Non - Current	6,905.90
<b>Total</b>	<b>7,406.96</b>

**44 Disclosure as per Ind AS-19, Employee benefits**

**(a) Defined benefit plan**

The Company makes annual contributions to the Employee's Group Gratuity scheme of the SBI Life Insurance Co. Ltd., a funded defined benefit plan for the qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the terms of the scheme. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the status of the funded gratuity plan and the amounts recognized in the company's financial statements as at March 31, 2020:-

**Changes in Present Value of Obligation**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Present value of obligation as on last valuation	362.38	292.50
Current Service Cost	81.15	75.03
Interest Cost	27.55	22.53
Participant Contribution	-	-
Plan Amendments: Vested portion at end of period(Past Service)	-	-
Plan Amendments: Non-Vested portion at end of period(Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	19.18	1.84
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(67.25)	(29.52)
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other(Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	423.01	362.38

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**
**Changes in Fair Value of Plan Assets**
**(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
Fair value of Plan Assets at Beginning of period	24.54	17.91
Interest Income	1.87	1.55
Employer Contributions	-	5.00
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	-	0.01
Benefits Paid	-	-
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange Rates	-	-
Administrative Expenses and Insurance Premium	-	-
Return on Plan Assets excluding Interest Income	(0.15)	0.09
Fair value of Plan Assets at End of measurement period	26.26	24.54

**Table Showing Reconciliation to Balance Sheet**
**(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
Funded Status	(396.75)	(337.84)
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial gain/loss at end of the period	-	-
Post Measurement Date Employer Contribution(Expected)	-	-
Unfunded Accrued/Prepaid Pension cost	-	-
Fund Asset	26.26	24.54
Fund Liability	423.01	362.38

**Table Showing Plan Assumptions**

Particulars	31st March, 2020	31st March, 2019
Discount Rate	6.78%	7.60%
Expected Return on Plan Asset	7.60%	7.60%
Rate of Compensation Increase(Salary Inflation)	6.00%	6.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	27.96	28.51
Mortality Table	IALM 2012-2014 Ultimate	IALM 2012-2014 Ultimate
Superannuation at age-Male	58	58
Superannuation at age-Female	58	58
Early Retirement & Disablement (All Causes Combined)	18-29 years 32%, 30-45 years 18%	18-29 years 32%, 30-45 years 18%
above age 45	5%	5%
Between 29-45	18%	18%
below age 29	32%	32%
Voluntary Retirement	Ignored	Ignored



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Expense Recognized in statement of Profit/Loss**

**(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
Current Service Cost	81.15	75.03
Past Service Cost (vested)	-	-
Past Service Cost (Non-Vested)	-	-
Net Interest Cost	27.55	23.38
Cost(Loss)/(Gain) on settlement	-	-
Cost(Loss)/(Gain) on curtailment	-	-
Actuarial Gain loss Applicable only for last year	-	-
Employee Expected Contribution	-	-
Net Effect of changes in Foreign Exchange Rates	-	-
Benefit Cost(Expense Recognized in Statement of Profit/loss)	106.83	96.00

**Expense Recognized in Other Comprehensive Income**

**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Actuarial gain/loss on obligations due to Change in Financial Assumption	19.18	1.84
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(67.27)	(29.50)
Actuarial gain/loss on obligations due to Other reason	-	-
<b>Total Actuarial (gain)/losses</b>	<b>(48.09)</b>	<b>(27.66)</b>
Return on Plan Asset, Excluding Interest Income	0.15	0.09
The effect of asset ceiling	-	-
Balance at the end of the Period	(21.68)	(27.75)
Net(Income)/Expense for the Period Recognized in OCI	(21.68)	(27.75)

**Sensitivity Analysis**

Particulars	31st March, 2020		31st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%)	401.42	449.65	344.49	382.38
%Change Compared to base due to sensitivity	-5.10%	5.80%	-4.90%	5.50%
Salary Growth (-/+1%)	447.53	398.88	384.56	342.16
%Change Compared to base due to sensitivity	6.30%	-5.70%	6.10%	5.60%

**Table Showing Cash Flow Information**

**(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
Next Year Total (Expected)	475.52	388.60
Minimum Funding Requirements	475.52	388.60



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Bifurcation of Net liability**

**(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
Current liability	76.42	64.96
Non-Current Liability	346.59	297.42
<b>Total Liability</b>	<b>423.01</b>	<b>362.38</b>

**(b) Defined Contribution Plan**

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

**(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
Contribution towards Provident Fund	325.77	360.23
<b>Total</b>	<b>325.77</b>	<b>360.23</b>

**(c) Other Long Term Employee benefit**

The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

The Company has recognised the following expenses as other long term employee benefit under the head "Contribution to Provident Fund and Other Funds"(net of recoveries).

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Leave Encashment	69.02	94.21
<b>Total</b>	<b>69.02</b>	<b>94.21</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Disclosure As per Ind AS-21, The Effects of Changes in Foreign Exchange Rates**

Foreign Currency transactions relating to monetary assets and liabilities as at the year end translated as per accounting policy no. 11, resulted in net gain of Rs.0 Lakhs (PY Rs. -43.31 Lakhs) which has been accounted under relevant heads in Statement of Profit and loss.

**NOTE 45 : Disclosure as Per Ind AS-24, Related Party Disclosure**

**List of Related Parties**

**1 Subsidiary Companies**

Malwa Hospitality Pvt Ltd  
 Sayaji House Keeping Services Ltd  
 Sayaji Hotels (Vadodara) Limited  
 Sayaji Hotels Management Limited  
 Sayaji Hotels (Pune) Limited

**2 Associate Companies**

Barbeque-Nation Hospitality Limited  
 Winner Hotels Pvt Ltd

**3 Key Management Personnel**

Mr.Raof Razak Dhanani	Managing Director
Mr. Kayum Dhanani	Director
Mrs. Suchitra Sajid Dhanani,	Whole Time Director
Mr. Sandesh Khandelwal	Chief financial officer
Mr. Amit Sarraf	Company Secretary

**4 Enterprises where Key Management Personnel has control /Interest**

Winner Hotels Pvt Ltd  
 Vicon Imperial Pvt. Ltd.  
 Prinite Hospitality Pvt Ltd  
 Kshipra Restaurants Pvt Ltd

**5 Relatives of KMPs**

Mr. Zuber Y Dhanani  
 Mr. Azher Y Dhanani  
 Mrs. Saba R Dhanani  
 Mrs. Sadiya R Dhanani  
 Mrs. Sara K Dhanani  
 Mrs. Sanya S Dhanani  
 Mr. Rizwan R Sheikh  
 Mrs. Varsha Khandelwal  
 Mr. Jameel Taher Sayed



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

Sr.No.	Nature of Transactions	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A</b>	<b>KEY MANAGEMENT PERSONNEL</b>		
	Remuneration/ Salary	68.00	76.88
	Payable At The Year End	25.07	1,007.79
	Payment Of Interest	131.40	185.03
<b>B.</b>	<b>SUBSIDIARY COMPANIES</b>		
	Income From Business Support Services	11.48	24.24
	Investment	-	15.00
	Fixed Assets Purchased	-	2.42
	Malwa Hospitality	-	2.42
<b>C.</b>	<b>ASSOCIATE COMPANIES/ FIRMS/ RELATIVES</b>		
	Rental Expenses	1,154.72	1,124.72
	Income From Business Support Services	150.33	142.29
	Expenses From Business Support Services	-	94.99
	Receivable At The Year End	123.40	66.03
	Payable At The Year End	151.40	139.21
	Reimbursement of expenses	65.35	
	Lease Rent And Cam Charges Received	42.00	152.87
	Payment Of Interest	13.53	13.50
	Payment Of Salary	26.04	13.39
	Payment Of Professional Fee	9.00	9.00
<b>D.</b>	<b>Sale of Investment to Promoters</b>		
	Aries Hotels Private Limited	770.20	-
	<b>Total</b>	<b>770.20</b>	<b>-</b>

**NOTE 46 : Disclosure as per Ind AS-27, Separate Financial Statement**

**Interest in subsidiary**

Name of Entity	Place of Business/Country Of Incorporation	% Of Ownership	
		31st March, 2020	31st March, 2019
Malwa Hospitality Private Limited	India	51.67%	51.67%
Sayaji Housekeeping Services Limited	India	100%	100.00%
Aries Hotels Private Limited	India	0.00%	52.37%
Sayaji Hotels(Vadodara) Limited	India	100.00%	-
Sayaji Hotels Management limited	India	100.00%	-
Sayaji Hotels(Pune) Limited	India	100.00%	-

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 47 : Disclosure as per Ind AS-37, Provisions, Contingent Liabilities and Contingent Assets**

**I Contingent Liabilities not provided for**

(I) Guarantee given on behalf of other companies is given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs.2400 lakhs (P.Y. Rs 2400 lakhs).Outstanding balance of loan of Malwa Hospitality Pvt Ltd there against for the year ended 31st March, 2020 from SBI is Rs.1317.39 lakhs (P.Y Rs 1685.38 lakhs).

**Disputed statutory liabilities in respect of service tax not provided for:**

- (ii) Custom duties saved against imports under EPCG scheme is Rs. 229.72 lakhs (P.Y Rs 229.72 lakhs)
- (iii) Disputed liability of Rs 3.56 lakhs (P.Y. 4.51 lakhs) not provided for in respect of Income Tax TDS (AY 2009-10,2010-11 and 2012-13)
- (iv) Disputed liability of Rs 1.09 lakhs not provided for in respect of Income Tax (AY 2014-15) the matters are pending before CIT (Appeal) - Varodara and amount paid there against.
- (v) Disputed liability of Rs 88.09 lakhs not provided for in respect of Commercial tax (FY 2013-14 & 2014-15, 2015-16). The matters are pending before Commissioner -Appeal Commercial tax ,Indore. (P.Y. Rs. 108.72 Lakhs)
- (vi) Disputed liability of Rs 109.48 lakhs not provided for in respect of Commercial tax (FY2010-11, 2011-12 & 12-13). The matter is pending before Appelate Tribunal- Commercial tax ,Indore. (P.Y. Rs. 81.76 Lakhs)
- (vii) Disputed liability of Rs. 55.12 lakhs not provided for in respect of Property Tax demand (FY 2015-16, 2016-17 & 2017-18). Company has challenged the same before Mayor-In-Council Indore Municipal Corporation, Indore. (P.Y. Rs. 55.12 lakhs).
- (viii) Arrears of Cummulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 600.26 lakhs (P.Y. Rs.479.70 lakhs).
- (ix) In respect of the leasehold land of Indore hotel, Company has received the order on 20th Dec. 2017 for cancellation of lease passed by Indore Development Authority. Company has challenged said order before single bench of Indore High Court and the single bench has decided the matter against the company. Being aggrieved by the said order of single bench of High Court, Company has challenged said order before the Division Bench of Indore High Court. Last date of hearing was 13th March 2020 and thereafter dates not fixed in view of the ongoing pandemic Covid19. Indore Development Authority has also filed an application before the Competent Authority under The Public Premises (Eviction) Act for eviction of the Company from said premises. High Court has granted stay on the passing of order under the said eviction proceedings. Last date of hearing in eviction matter was 26th February 2020 and thereafter dates not fixed in view of the ongoing pandemic Covid19.
- (x) Joint District Registrar of Stamps, Pune has passed order against the company and demanded payment of stamp duty of 30 lakhs and fine of 2.40 lakhs by alleging that company has paid short stamp duty under the Maharashtra Stamp Act,1958 for declaration of equitable mortgage under the said Act. Company has challenged said order before Inspector General of Registration, Chief Controlling Revenue Authority, Pune. Hearing is awaited in said matter.
- (xi) Disputed liability of Rs. 1.29 lakhs not provided for in respect of cases filed in labour court. (P.Y. Rs. 1.29 lakhs)
- (xii) Disputed liability of Rs. 16.10 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Indore. (P.Y. 16.10 lakhs)
- (xiii) Disputed liability of Rs. 50.00 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Bhopal. (P.Y. Nil)

**II Commitments**

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil lakhs )

**III Other Notes**

Company had filed an application before NCLT, Chennai for approval of composite scheme of amalgamation and demerger. The scheme involved amalgamation of Ahilya Hotels Limited (holding 14.01% shares in the company) with the Company. Further, it involved demerger of Pune & Vadodara hotel into a new company viz. Sayaji Hotels (Pune) Limited (SHPL). The scheme further involved demerger of its wholly owned subsidiary Sayaji Housekeeping Services Limited from the Company and amalgamation into a new company viz. Sayaji Hotels Management Limited (SHML). In the Board meeting dated 14.11.2019 company has decided to withdraw the scheme and hence on 11th December 2019 Company has applied to NCLT, Chennai for withdrawal of the scheme.

**48 Disclosure as per Ind AS-108, Operating Segment**

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segment' (Ind AS-108) notified by the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

Information about major customers

No single customer contributes more than 10% or more of the Company's total revenue for the years ended March 31, 2020 and March 31, 2019.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**49 Disclosure as per Ind AS-105, Non Current Asset Held for Sale and Discontinued Operations**

"In the Board meeting dated 14.02.2019, the directors of Sayaji Hotels Limited decided to sell investment in Aries Hotels and the sale was expected to be completed before the end of July 2019.

Investment classified as held for sale during last year has been measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of Rs 52.18 lakhs as impairment loss in the statement of profit and loss, the transaction has been completed & loss has been booked."

**50 Earnings in Foreign Currency :**

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Earning in Foreign Currency</b>		
- Sale of Rooms of Food Beverages	1231.75	1,073.14
<b>CIF Value of Imports &amp; Expenditure (on accrual basis)</b>		
- Import Value of Capital Goods	-	-
- Import Value of Non-Capital Goods	11.19	41.94

**NOTE 51 : Disclosure as per Ind AS-107, Financial Instruments**

**A) Financial Risk Management**

The Company's principal financial liabilities comprise Borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade & other receivables, loan given, cash & cash Equivalent, Investment, deposits and derivative that derive directly from its operations.

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board.

**Company is exposed to following risk from the use of its financial instrument :**

- Credit Risk
- Liquidity Risk
- Market Risk

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

**Trade Receivable**

"Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 45 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low. The requirement of impairment is analysed as each reporting date."

**Other Financial Instruments and Cash & Cash Equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31st, 2020 and March 31st, 2019 is the carrying amount as disclosed in Note 51(1) except for financial guarantees. The Company's maximum exposure for financial guarantee is given in Note 47.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**(i) Carrying amount of maximum credit risk as on reporting date**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)</b>		
Non-current Investment	0.21	0.21
Non-current Loans	891.26	716.14
Other Non-Current Financial Assets	107.47	94.94
Cash & Cash Equivalent	365.78	411.54
Bank balances other than cash and cash equivalents	14.04	13.20
Current Loans	201.67	124.63
Other Current Financial Assets	324.64	310.63
<b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)</b>		
Investment in Subsidiaries	1,341.90	1,341.90
Trade Receivables	500.98	897.37
<b>Total</b>	<b>3,747.95</b>	<b>3,910.56</b>

**(ii) Ageing of trade receivables**

The Ageing of trade receivables is as below :

**(Rs. In Lakhs)**

Ageing	Not Due	0-180 days past due	181-365 days past due	1-2 years past due	2-5 years past due	Total
Gross Carrying amount as on 31.03.2020	49.45	382.56	29.27	27.01	27.70	515.99
Impairment loss recognised on above	-	-	-	1.07	13.94	15.01
Gross Carrying amount as on 31.03.2019	382.57	443.46	53.7	16.34	38.27	934.34
Impairment loss recognised on above	-	-	-	-	36.97	36.97

**(iii) Provision for Expected Credit or Loss**

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses.**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

**(iv) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

Particulars	Trade Receivables	Investment in subsidiaries	Advances	Total
Balance as at March 31, 2019	36.97	195.93	1.72	234.62
Impairment loss recognised	19.45	0.52	-	19.97
Amounts written off	41.41	196.22	1.72	239.35
Balance as at March 31, 2020	15.01	0.23	-	15.24

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**(Rs. In Lakhs)**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

**(Rs. In Lakhs)**

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2020</b>						
Term Loans*	-	1,150.40	1,462.12	3,023.43	155.32	5,791.27
Trade Payables	1,282.12	-	-	-	-	1,282.12
Cash credit	32.56	-	-	-	-	32.56
Other Payables	-	596.67	-	2,000.00	1,405.53	4,002.20
Finance Lease Payable	-	-	-	-	-	-
Other Financial Liabilities#	-	642.29	602.41	944.26	5,359.23	7,548.19
<b>Total</b>	<b>1,314.68</b>	<b>2,389.36</b>	<b>2,064.53</b>	<b>5,967.69</b>	<b>6,920.08</b>	<b>18,656.34</b>

**(Rs. In Lakhs)**

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2019</b>						
Term Loans*	-	1,658.24	1,396.42	2614.7	620.52	6,289.88
Trade Payables	1,214.86	-	-	-	-	1,214.86
Cash credit	554.95	-	-	-	-	554.95
Other Payables	-	1,726.55	-	2,000.00	2,013.60	5,740.15
Finance Lease Payable	-	1.95	-	-	10.74	12.69
Other Financial Liabilities#	-	98.00	-	-	-	98.00
<b>Total</b>	<b>1,769.81</b>	<b>3,484.73</b>	<b>1,396.42</b>	<b>4,614.70</b>	<b>2,644.86</b>	<b>13,910.53</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

# Current maturities of long-term borrowings is included in interest bearing borrowing part in above note.

Overdraft or other on demand loan facility, if any available with the Company is disclosed, to the extent undrawn in note no. 41.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The company uses forward contracts to hedge its exposure from foreign currency fluctuations.

**(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
<b>Financial Liabilities</b>		
Borrowings in USD	779.49	1,079.07
Derivative	4.42	32.10





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**
**Foreign Currency sensitivity**

The Company's exposure to foreign currency changes for all other currencies is not material. Hence there is no major impact on company's profit before tax due to change in the fair value of monetary assets and liabilities.

**Interest Risk**

**Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.**

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
<b>Financial Assets</b>		
<b>Fixed Rate</b>		
Security Deposit	891.26	716.14
Bank Deposit	121.51	108.14
<b>Total 1,012.77</b>	<b>824.28</b>	
<b>Financial Liabilities</b>		
<b>Fixed Rate</b>		
Working capital loans	32.56	554.95
Unsecured Loans	1,954.19	3,740.15
<b>Sub-Total (i)</b>	<b>1,986.75</b>	<b>4,295.10</b>
<b>Variable Rate Instruments</b>		
Term Loans	5,791.27	6,289.88
<b>Sub-Total (ii)</b>	<b>5,791.27</b>	<b>6,289.88</b>
<b>Total (i) + (ii)</b>	<b>7,778.02</b>	<b>10,584.98</b>

**Interest rate sensitivity**

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

Particulars	Effect of Profit or Loss	
	50 bp increase	50 bp decrease
<b>31st March 2020</b>		
Financial Liabilities	(2.90)	2.90
	<b>(2.90)</b>	<b>2.90</b>
<b>31st March 2019</b>		
Financial Liabilities	(3.14)	3.14
	<b>(3.14)</b>	<b>3.14</b>

**NOTE 52 : Capital Risk Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	31st March, 2020	31st March, 2019
Gross Debt	7,778.02	10,584.98
Less : Cash and cash equivalents	(365.78)	(411.54)
<b>Net Debt (A)</b>	<b>7,412.24</b>	<b>10,173.44</b>
Total Equity (B)	7,747.19	7,292.87
<b>Gearing Ratio (A/B)</b>	<b>0.96</b>	<b>1.39</b>

(Rs. In Lakhs)

Particulars	As At March 31, 2020		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.21	-	-
Loans	-	-	1,092.93
Trade Receivables	-	-	500.98
Cash and Cash Equivalents	-	-	365.78
Other Bank Balance	-	-	14.04
Other financial assets	-	-	432.11
<b>Total Financial Assets</b>	<b>0.21</b>	<b>-</b>	<b>2,405.84</b>
<b>Financial Liability:</b>			
Borrowings	-	-	6,627.62
Derivative Liability	4.42	-	-
Trade Payable	-	-	1,282.12
Other Financial Liabilities	-	-	10,742.18
<b>Total Financial Liability</b>	<b>4.42</b>	<b>-</b>	<b>18,651.92</b>

(Rs. In Lakhs)

Particulars	As at 31st March, 2019		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.21	-	-
Loans	-	-	840.77
Trade Receivables	-	-	897.37
Cash and Cash Equivalents	-	-	411.54
Other Bank Balance	-	-	13.20
Other financial assets	-	-	405.57
<b>Total Financial Assets</b>	<b>0.21</b>	<b>-</b>	<b>2,568.45</b>
<b>Financial Liability:</b>			
Borrowings	-	-	8,926.74
Derivative Liability	32.10	-	-
Trade Payable	-	-	1,198.80
Other Financial Liabilities	-	-	3,791.60
<b>Total Financial Liability</b>	<b>32.10</b>	<b>-</b>	<b>13,917.14</b>

\*The above excludes investments in subsidiaries and associates amounting to Rs 1341.90 Lakhs

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE 53 : Disclosure as per Ind AS-113, Fair Value Measurement**

**Fair Value Hierarchy**

"This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:"

**As at 31st March 2020**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

**(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.21	0.21
- Non Current Asset held for sale			-	-
<b>Financial Liabilities</b>				
Derivatives	-	4.42	-	4.42
<b>Total</b>	-	<b>4.42</b>	<b>0.21</b>	<b>4.63</b>

**As at 31st March 2019**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

**(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.21	0.21
<b>Financial Liabilities</b>				
Derivatives	-	32.10	-	32.10
<b>Total</b>	-	<b>32.10</b>	<b>0.21</b>	<b>32.31</b>

**(A) Specific valuation technique is used to determine the fair value of the financial instruments which include:**

- i) For Investments in Equity Investments- Quoted Market prices are used and for unquoted Equity Instruments best possible inputs are taken to identify the fair value.
- ii) For financial liabilities (vendor liabilities, domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.
- iii) For financial assets (employee loans) : appropriate market rate of the entity as of each balance sheet date used.

**(B) The financial instruments are categorized into different levels based on the inputs used to arrive at fair value measurements as described below:**

<b>Level 1</b>	Includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at thereporting period. The mutual funds are valued using the closing NAV.
<b>Level 2</b>	Includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
<b>Level 3</b>	If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**(C) Inter level transfers:**

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

**(D) Fair value of financial assets and liabilities measured at amortised cost**

(Rs. In Lakhs)

Particulars	As at 31 March 2020		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	500.98	500.98
Cash and Cash Equivalents	3	365.78	365.78
Bank balances other than cash and cash equivalents	3	14.04	14.04
Loan to Employees	3	19.84	19.84
Security deposit	3	891.26	891.26
Other Financial Assets	3	432.11	432.11
<b>Financial Liabilities</b>			
Borrowings	3	6,627.62	6,627.62
Trade Payables	3	1,282.12	1,282.12
Other Financial Liabilities	3	10,746.60	10,746.60

(Rs. In Lakhs)

Particulars	As at 31 March 2019		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	897.37	897.37
Cash and Cash Equivalents	3	411.54	411.54
Bank balances other than cash and cash equivalents	3	13.20	13.20
Loan to Employees	3	22.75	22.75
Security deposit	3	716.14	716.14
Other Financial Assets	3	405.57	405.57
<b>Financial Liabilities</b>			
Borrowings	3	8,926.74	8,926.74
Trade Payables	3	1,214.86	1,214.86
Other Financial Liabilities	3	3,823.70	3,823.70

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. In Lakhs)

**NOTE 54 : Disclosure as per Ind AS-115, Revenue from Contract with Customers**

(i)	Revenue from contract with customers	As at 31 March 2020	As at 31 March 2019
	Rooms	7,721.20	7,608.77
	Food and Beverages	11,354.95	12,214.93
	Other Services	1,893.28	2,000.84

**(ii) Disaggregation of revenue :-**

Revenue is also disaggregated on basis of timing of revenue recognition i.e. At a point in time & over the period of time.

(Rs. In Lakhs)

Particular	At a point in time		Over the period of time	
	For the period 2019-2020	For the period 2018-2019	For the period 2019-2020	For the period 2018-2019
Rooms	7,721.20	7,608.77	-	-
Food and Beverages	11,354.95	12,214.93	-	-
Other Services	1,893.28	2,000.84	-	-

**NOTE 55 Going Concern :-**

**Negative working capital:**

As at the year end, the Company's current liabilities have exceeded its current assets by Rs. 1046.97 lakhs primarily on account of current maturities of long term borrowings aggregating to Rs. 1150.40 lakhs & Lease Liability of Rs. 501.06 Lakhs. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

**Impact of COVID-19 :**

The Company faces significant uncertainties due to COVID-19 which have severely impacted the operations of the Company adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections.

The Company has availed moratorium facilities granted by Reserve Bank of India. The company has also approached its lenders for grant of additional period of moratorium since the revenues till the date of this report are severely impacted. The promoters has reaffirmed their commitment to arrange funds for the operational requirements of the company to avoid any disruption to the operations. Also refer note 6 under point no. D (Major Estimates in Preparing Financial Statements in the Significant Accounting Policies-1) Estimation uncertainty relating to the global health pandemic on COVID-19.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2020.

Significant Accounting Policies and other Notes 1-55  
These notes form an integral part of these financial statements  
In term of our report attached

**For and on behalf of the Board of Directors**

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**T.N Unni**  
Director  
DIN-00079237

**Raoo Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> July 2019

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

**To,  
The Members,  
Sayaji Hotels Limited**

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

**Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Sayaji Hotels Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, of the loss and total

comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

We draw attention to Note No.56 to the Consolidated Financial Statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the Management.

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

**Key Audit Matters**

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

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<p><b><i>Impact of COVID-19 pandemic on Going Concern</i></b></p> <p>Refer Note 56 – "Going Concern" and Note-1 (C-6) "Estimation related to COVID-19" of the standalone financial statements</p> <p>On 11th March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.</p> <p>The Indian Government has imposed lock-downs across the country from 22nd March, 2020 up to 30th June, 2020. These lockdowns and restrictions due to COVID-19 pandemic have posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>Obtained an understanding from Management the procedure of preparing forecasted statements and Compared the forecasted statement of profit and loss and cash flows with the Company's business plan approved by the board of directors.</p> <p>Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and analyzed the same based on our understanding of the Company's business</p> <p>Obtained understanding of new borrowing arrangements</p>



<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<p>The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements.</p> <p>In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.</p>	<p>subsequent to the year-end and also cash &amp; cash equivalents available with the company;</p> <p>Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-open hotels in a phased manner;</p> <p>Assessed disclosures made in the standalone financial statements with regard to the above. Refer to note 56 and note 1(C-6).</p>
<p><b>Adoption of Ind AS 116-Leases</b></p> <p>As described in Note 43 to the standalone financial statements, the Company adopted Ind AS 116 Leases ('Ind AS 116') on 1st April, 2019. The Company has recognized right-of-use assets amounting to Rs.16468.63 Lakhs and lease liabilities aggregating 13102.54 Lakhs as of 1st April, 2019. The lease liabilities are initially measured by discounting future lease payments during the lease term as per agreement.</p> <p>Auditing the Company's adoption of Ind AS 116 involved judgment because the Company has significant number of lease contracts. Certain aspects of Ind AS 116 required the Company to exercise judgments including determination of Incremental Borrowing Rate ('IBR') and lease term.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included the following:</p> <p>We obtained an understanding and evaluated the design of controls over the Company's accounting of Ind AS 116.</p> <p>We reviewed all the lease agreements and evaluated the process of the determination of IBR and lease term.</p> <p>We checked the accuracy of the Company's computation of initial right-of-use assets and lease liabilities.</p> <p>Examined the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition in the standalone financial statements</p>

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.



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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or





when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

The Ind AS Consolidated financial statements include the Group's Share of profit of Rs. (-) 1460.51 Lakhs for the year ended 31st March, 2020, as considered in the Ind AS consolidated financial statements in respect of One Associate, whose financial statements/ financial information has not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the Ind AS consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on the other Legal and Regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under

Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates – Refer Note 47 to the consolidated financial statements.
  - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies incorporated in India.

**For K.L. Vyas & Company,**  
**Chartered Accountants,**  
**FRN: 003289C**

**(Himanshu Sharma)**  
**Partner**

**M. No. 402560**  
**UDIN: 20402560AAAEG5773**

**Place of Signature : Indore**  
**Date : 13<sup>th</sup> November 2020**

## **ANNEXURE –A TO THE AUDITORS’ REPORT**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of Sayaji Hotels Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are



subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates standalone financial statements of 1 subsidiary and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

**For K.L. Vyas & Company,**  
**Chartered Accountants,**  
**FRN: 003289C**

**Place of Signature : Indore**  
**Date : 13<sup>th</sup> November 2020**

**(Himanshu Sharma)**  
**Partner**  
**M. No. 402560**  
**UDIN: 20402560AAAAEG5773**

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**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2020**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment	2	27,165.99	15,359.51
(b) Capital work-in-progress	3	11.81	150.53
(c) Intangible assets	4	2.69	17.25
(d) Goodwill on consolidation	-	-	-
(e) Investment in Associate, Subsidiary and Joint venture	5	266.76	8,340.43
(i) Financial Assets		-	-
(ii) Investments	6	0.21	0.21
(iii) Trade Receivables		-	-
(f) Loans	7	938.68	757.97
(g) Other Financial Assets	8	120.38	100.53
(h) Deferred Tax assets (net)	9	1,739.18	832.62
(i) Other non-current assets	10	157.89	1,444.24
<b>Total Non-Current Assets</b>		<b>30,403.59</b>	<b>27,003.29</b>
<b>2 Current assets</b>			
(a) Inventories	11	2,013.57	2,006.16
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	12	579.23	1,035.55
(iii) Cash and Cash Equivalents	13	558.83	531.28
(iv) Bank balances other than (iii) above	14	14.04	17.59
(v) Loans	15	992.84	628.40
(vi) Other Financial Assets	16	355.50	313.21
(c) Current Tax Assets (net)	17	13.18	25.15
(d) Other current assets	18	1,004.53	991.13
(e) Assets classified as Held for Sale	19	-	618.36
<b>Total Current Assets</b>		<b>5,531.72</b>	<b>6,166.83</b>
<b>TOTAL ASSETS</b>		<b>35,935.31</b>	<b>33,170.12</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share Capital	20	1,751.80	1,751.80
(b) Other Equity	21	5,431.09	12,113.98
<b>Total Equity attributable to owners of the parent</b>		<b>7,182.89</b>	<b>13,865.78</b>
(c) Non-controlling interest	21.7	111.20	478.35
<b>Total Equity</b>		<b>7,294.09</b>	<b>14,344.13</b>
<b>2. LIABILITIES</b>			
<b>1 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	7,092.82	8,004.56
(ii) Other Financial Liabilities	23	14,335.79	2,065.57
(b) Provisions	24	681.37	710.66
(c) Deferred Tax Liabilities (Net)		-	-
(d) Deferred Revenue	25	451.30	511.19
<b>Total Non-Current Liabilities</b>		<b>22,561.28</b>	<b>11,291.98</b>

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2020**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	761.36	2,411.42
(ii) Trade Payables	27		
A. total outstanding dues of micro enterprises and small enterprises; and		15.64	16.06
B. total outstanding dues of creditors other than micro enterprises and small enterprises.		1,391.24	1,277.40
(iii) Other Financial Liabilities	28	2,280.98	2,106.10
(b) Other Current Liabilities	29	1,026.04	1,082.73
(c) Provisions	30	604.68	596.70
(d) Liability directly associated with Assets classified as Held for Sale	19	-	43.60
<b>Total Current Liabilities</b>		<b>6,079.94</b>	<b>7,534.01</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,935.31</b>	<b>33,170.12</b>

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

1-57

**For and on behalf of the Board of Directors**

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 13<sup>th</sup> November 2020

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

(Rs. in Lakhs Except EPS)

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	<b>Income</b>			
II	Revenue From Operations	31	24,006.46	24,441.09
III	Other Income	32	434.96	530.34
IV	<b>Total Revenue (II+III)</b>		<b>24,441.42</b>	<b>24,971.43</b>
V	<b>Expenses :</b>			
	Food and Beverages Consumed	33	4,658.29	4,810.49
	Employee Benefits Expenses	34	6,470.34	6,633.55
	Finance Costs	35	2,973.75	1,875.05
	Depreciation And Amortization Expenses	2&4	3,419.94	2,439.65
	Operating Expenses	36	5,441.98	5,393.78
	Other Expenses	37	1,651.08	3,445.39
	<b>Total Expenses</b>		<b>24,615.38</b>	<b>24,597.91</b>
VI	<b>Profit before Exceptional Item and share of profit/(loss) of associate and tax (IV-V)</b>		<b>(173.96)</b>	<b>373.52</b>
VII	<b>Exceptional Item</b>	38		
	Sabka Vishwas scheme settlement	39	469.40	-
	Litigation Settlement as per Court Order		-	184.89
VIII	<b>Profit before share of profit/(loss) of associate and tax (VI-VII)</b>		<b>(643.36)</b>	<b>188.63</b>
IX	Share of Profit /(Loss) of Associate		<b>(1,460.51)</b>	<b>(1,232.91)</b>
X	<b>Profit Before Tax (VIII+IX)</b>		<b>(2,103.87)</b>	<b>(1,044.28)</b>
XI	<b>Tax Expense :</b>			
	(1) Current Tax		219.57	278.43
	(2) Mat Credit Entitlement		-	(18.70)
	(3) Deferred Tax		(379.90)	23.57
	(4) Tax Adjustment of Earlier Year		(28.93)	0.87
			<b>(189.26)</b>	<b>284.17</b>
XII	<b>Profit (Loss) for the year (X-XI)</b>		<b>(1,914.61)</b>	<b>(1,328.45)</b>
XIII	<b>Other Comprehensive Income</b>			
	A Items that will not be reclassified to profit or loss			
	(i) Actuarial Gain/(Loss) on Defined Benefit Plan		21.51	30.05
	(ii) Income tax relating to items that will not be reclassified to profit or loss "		(5.98)	(8.19)
	B Items that will be reclassified to profit or loss		-	-
	(i) Changes in Cash Flow Hedge Reserve		(51.95)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss"		4.40	-

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

(Rs. in Lakhs Except EPS)

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
XIV	<b>Total Comprehensive Income for the year (XII+XIII)(Comprising Profit /(Loss) and Other Comprehensive Income for the year) before share of associate</b>		<b>(1,946.63)</b>	<b>(1,306.59)</b>
XV	Share of Profit/ (Loss) of associate		<b>(119.44)</b>	<b>(103.55)</b>
XVI	<b>Total Comprehensive Income for the year (XIV+XV)(Comprising Profit /(Loss) and Other Comprehensive Income for the year)</b>		<b>(2,066.07)</b>	<b>(1,410.14)</b>
	<b>Net profit attributable to</b>			
	Owners of the parent		(1,846.75)	(1,339.41)
	Non controlling interests		(67.86)	10.96
	<b>Other Comprehensive Income attributable to</b>			
	Owners of the parent		(133.94)	(82.57)
	Non controlling interests		(17.52)	0.88
	<b>Total Comprehensive Income attributable to</b>			
	Owners of the parent		(1,980.69)	(1,421.98)
	Non controlling interests		(85.38)	11.84
XVII	Earnings per equity share	40		
	(1) Basic		(11.62)	(8.27)
	(2) Diluted		(11.62)	(8.27)

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

1-57

**For and on behalf of the Board of Directors**

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 13<sup>th</sup> November 2020

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax from continuing operations</b>	<b>(2,223.31)</b>	<b>(1,216.49)</b>
<b>Non-cash/Non-Operating adjustment to reconcile profit before tax to net cash flows</b>		
Share of net profits of associate accounted for using equity method	(1,579.95)	1,336.45
Other adjustments	(625.69)	-
Adjustments directly made in Equity due to Changes made in associate	3,668.95	-
Depreciation & Amortisation including adjustments	3,419.94	2,439.65
Deferred Income Amortisation	(59.89)	(77.01)
Deferred Expense Amortisation	4.69	9.15
(Profit) /Loss on Sale/Disposal of Property, Plant & Equipment	(11.56)	89.72
Prepaid Lease charges on Security Deposit	-	15.77
Prepaid Lease income on Security Deposit	(4.68)	(4.68)
Foreign Exchange gain/ (loss) on Derivative Liability	-	43.31
Interest Expense	1,235.72	1,875.05
Finance cost on preference shares	216.30	3.16
Interest Received	(95.69)	(267.16)
Balances Written off	2.76	29.05
Excess provision written back	(56.19)	39.09
Fair value (gain) / loss on foreign exchange	-	92.25
Interest received on Security Deposit	(89.04)	(1.39)
Impairment Loss	0.52	-
Lease Rent	-	96.55
Provision for doubtful debts made	39.58	4.75
<b>Operating profit before Working Capital changes</b>	<b>3,842.46</b>	<b>4,507.22</b>
<b>Adjustments for :</b>		
(Increase)/ Decrease in trade and other receivables	470.12	(123.93)
(Increase) / Decrease in Inventory	(7.41)	(166.68)
Increase/ (Decrease) in trade and other payables	113.41	45.90
Decrease/(Increase) in other Bank Balances	3.55	(14.07)
Decrease/(Increase) in other current assets	38.26	(321.24)
Decrease/(Increase) in loans(financial assets)	(565.00)	(180.39)
Decrease/(Increase) in other financial assets	46.75	(108.04)
Increase/(Decrease) in other financial liabilities	1,298.41	403.19
Increase/(Decrease) in other liabilities	(56.69)	293.85
Increase/(Decrease) in provisions	(21.31)	175.42
Increase/(Decrease) in Asset/Liabilities held for Sale	-	(522.58)
<b>Cash generated from operations</b>	<b>5,162.55</b>	<b>3,988.65</b>
Taxes (Paid)/Refund	(178.67)	(331.32)
Exceptional Items	-	-
<b>Net Cash from Operating Activity</b>	<b>4,983.88</b>	<b>3,657.33</b>





**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(664.89)	(1,930.31)
Sale/Disposal of Property, Plant & Equipment	-	-
Sale of Investments	574.24	110.71
Maturity/(Investment) in Non Current Fixed Deposits	-	(1.93)
Dividend Received	126.21	126.21
Interest Received	95.69	267.16
<b>Net Cash Flow from Investing Activity</b>	<b>131.25</b>	<b>(1,428.16)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from Issue of Shares	-	-
Proceeds/(Repayment) of Share Premium	-	-
Proceeds/(Repayment) of Long Term Borrowings	(1,617.87)	(1,939.36)
Proceeds/(Repayment) of Lease liability	(1,703.42)	-
Proceeds/(Repayment) of loans from others	-	465.72
Interest Paid/other borrowing cost paid	(1,235.72)	(1,875.05)
<b>Net cash used in Financing Activity</b>	<b>(4,557.01)</b>	<b>(3,348.69)</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>558.12</b>	<b>(1,119.52)</b>
Cash and cash equivalents at the beginning of the year	(31.85)	1,087.67
Cash and cash equivalents at the close of the year	526.27	(31.85)
This is the Cash Flow Statement referred to in our Report of even date		

**Notes :**

1. The above cash flow statement has been prepared under the indirect method set out in Ind AS -7 'Statement of Cash Flows'.
2. For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings :

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance with Banks	424.02	485.78
Cash on hand	61.55	45.50
Investment in Mutual Fund	73.26	-
Less: Bank Overdraft	(32.56)	(563.13)
	<b>526.27</b>	<b>(31.85)</b>

In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560

Indore, 13<sup>th</sup> November 2020

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Sandesh Khandelwal**  
Chief Financial Officer

**Raoo Razak Dhanani**  
Managing Director  
DIN-00174654

**Amit Sarraf**  
Company Secretary

**Consolidated Statement of Changes in Equity for the year ended 31st March, 2020**

(Rs. In Lakhs)

<b>A. Equity Share Capital</b>	Balance as at 31st March, 2020	
	Changes in equity share capital during the year	
	1,751.80	1,751.80

(Rs. In Lakhs)

Particulars	Attributable to owners of parent							Total		
	Equity component of compound financial instruments	Reserve and surplus			Share of OCI of Associates Accounted for using Equity Method	Effective portion of Cash Flow Hedges	Total Equity attributable to owners of parent		Non-Controlling Interest	
		Securities Premium Reserve	General Reserve	Retained Earnings						Share of Equity Component Directly credited to Equity
<b>Balance as at 1st April, 2019</b>	251.66	5,944.60	641.48	2,165.07	3,184.91	69.33	(143.07)	12,113.97	478.35	12,592.32
Ind AS Adjustment on account of Leases Profit/(Loss) for the year	-	-	-	(2,614.59)	-	-	-	(2,614.59)	(67.86)	(2,614.59)
Other Comprehensive Income for the year	-	-	-	33.05	-	(47.55)	(19.44)	(133.94)	(17.52)	(454.10)
Other	-	-	-	774.61	-	-	-	774.63	-	774.63
Share of associate	-	-	-	(1,460.51)	(3,752.81)	-	-	(5,213.32)	-	(5,213.32)
Sale of Investment in Associate	-	-	-	260.92	-	-	-	260.92	(281.77)	(20.85)
Dividend	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	-	-	(3,392.75)	(3,752.81)	(47.55)	(119.44)	(7,312.54)	(367.15)	(7,679.69)
Cash dividends	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend	-	-	-	-	-	-	-	-	-	-
Equity Component	629.66	-	-	-	-	-	-	629.66	-	629.66
Excess of Investment over Net Assets	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	881.32	5,944.60	641.48	(1,227.68)	(567.90)	21.78	(262.51)	5,431.09	111.20	5,542.29

(Rs. In Lakhs)

<b>A. Equity Share Capital</b>	Balance as at 31st March, 2019	
	Changes in equity share capital during the year	
	1,751.80	1,751.80

**Consolidated Statement of Changes in Equity for the year ended 31st March, 2020**

Particulars	Attributable to owners of parent							Total		
	Equity component of compound financial instruments	Reserve and surplus			Share of OCI of Associates Accounted for using Equity Method	Effective portion of Cash Flow Hedges	Total Equity attributable to owners of parent		Non-Controlling Interest	
		Securities Premium Reserve	General Reserve	Retained Earnings						Share of Equity Component Directly credited to Equity
<b>Balance as at 1st April, 2018</b>	251.66	5,944.60	641.48	3,530.02	2,187.02	69.33	(39.52)	12,584.59	466.51	13,051.10
Profit/(Loss) for the year	-	-	-	(2,572.32)	-	-	-	(2,572.32)	10.96	(2,561.36)
Other Comprehensive Income for the year	-	-	-	20.98	-	-	(103.55)	(82.57)	0.88	(81.69)
Share of associate Dividend	-	-	-	1,232.91	-	-	-	1,232.91	-	1,232.91
				(100.26)				(100.26)		(100.26)
<b>Total Comprehensive Income for the Year</b>	-	-	-	(1,418.69)	-	-	(103.55)	(1,522.24)	11.84	(1,510.40)
Cash dividends	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend	-	-	-	-	-	-	-	-	-	-
Equity Component	-	-	-	-	997.89	-	-	997.89	-	997.89
Excess of Investment over Net Assets	-	-	-	52.18	-	-	-	52.18	-	52.18
Others	-	-	-	1.56	-	-	-	1.56	-	1.56
<b>Balance as at 31st March, 2019</b>	251.66	5,944.60	641.48	2,165.07	3,184.91	69.33	(143.07)	12,113.98	478.35	12,592.33

For and on behalf of the Board of Directors

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Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L. Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
M.No. 402560

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**Indore, 13<sup>th</sup> November 2020**

## **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

### **Notes to Financial Statements**

#### **NOTE-1 :**

### **Notes to Financial Statements**

#### **A. Group Information**

Sayaji Hotels Limited (SHL” or the “Company”), is a listed public limited company incorporated under the provisions of the Companies Act, 2013. Its shares are listed on Bombay stock exchange on India. The Company is primarily engaged in the business of owning, operating & managing hotels. The Company and its subsidiaries (jointly referred to as the ‘Group’ herein under) are considered in the consolidated financial statements. The group is primarily engaged in the business of owning, operating & managing hotels.

#### **Statement of Compliance**

These Consolidated Financial Statements are prepared on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable), applicable provisions of the Companies Act, 1956.

These consolidated financial statements were authorized for issue by Board of Directors on 13th November, 2020.

#### **1. Basis of measurement/Use of Estimates**

- i. The Financial Statements are prepared on accrual basis under the historical cost convention except certain financial assets and liabilities (including derivatives instruments) that are measured at fair value at the end of each reporting period. The methods used to measure fair values are discussed in notes to financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

- ii. The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in Part C.

#### **2. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Group’s functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.

#### **B. Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

#### **1. Basis of consolidation**

##### **i. Subsidiaries**

- a. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group and has the ability to affect those returns through its power over the group. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- b. The Group entities combines the financial statements of parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expense. Intercompany balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset.
- c. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non- controlling interests.



**Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

- d. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

Where company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non Controlling Interest and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date of control is lost. Any resulting gain or loss is recognised in Profit and loss.

ii. **Associate**

- a. Under the equity method of accounting, the investment in an associate is initially recognised at cost. The Carrying amount of the investment is adjusted to recognise changes in the group's share of the net assets of the associate is included in the carrying amount of the investment and is not tested for impairment individually.
- b. The Statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the Equity of the associate, the group recognizes its share of any changes, when applicable, in the statement of changes in Equity. Unrealized gains and losses resulting from transactions between the group and the associate are eliminate to the extent of the interest in the associate.
- c. Upon loss of significant influence over associate, the group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence in associate and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

**2. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

**3. Property Plant & Equipment**

**3.1. Initial recognition and measurement**

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, borrowing cost, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended



### **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

#### **3.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in profit or loss as incurred.

#### **3.3. De-recognition**

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

#### **3.4. Depreciation/amortization**

Depreciation is recognized in profit or loss on a Written Down Value Method over the estimated useful lives as prescribed in Schedule II of Companies Act, 2013 of each part of an item of Property, Plant and Equipment. Leasehold lands are amortized over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Assets constructed on leased premises are depreciated/amortized over the lease period.

Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

#### **4. Non-current assets (or disposal groups) held for sale**

Non-current assets (or 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 and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Again or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately



### **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

#### **5. Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors

#### **6. Intangible assets and intangible assets under development**

##### **6.1. Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

##### **6.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

##### **6.3. Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

##### **6.4. Amortization**

Intangible assets having definite life are amortized on Written Down Value method in their useful lives. Useful life of computer software is estimated at five years.

#### **7. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended uses are complete.

All other borrowing costs are charged to revenue as and when incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – ‘Financial Instruments’ (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 – ‘Leases’ (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and (d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

#### **8. Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



### **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

#### **9. Cash and Cash Equivalent**

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

#### **10. Government Grants**

Government grants that compensate the company for the cost of asset are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant and are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

#### **11. Provisions and contingent liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

#### **12. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### **13. Revenue Recognition**

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" which introduces the five-step model described as follows:-

1. Identify the contract with a customer.



**Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

2. Identify the separate performance obligations in the contract.
3. Determine the transaction Price.
4. Allocate the transaction price to the separate performance obligations.
5. Recognize revenue when (or as) each performance obligation is satisfied.

**Revenue from operations:**

The Company derives revenues primarily from sale of rooms, food and beverages, allied services relating to hotel operations such as management fees for the management of the hotels.

- A.** Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company presents revenues net of indirect taxes in statement of Profit and loss.

- B.** Trade receivables and Contract Balances

The company recognises contract assets on an amount equals to consideration related to goods and services already transferred to customers when the right to receive such consideration is conditioned upon something other than passage of time.

Unconditional right to receive consideration are recognised as trade receivable.

Trade receivable and contract assets are subject to impairment as per Ind AS 109 'Financial Instruments'.

The company recognises amount already received from customer against which transfer for goods and services are not made as contract liability.

**Interest Income**

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

**Dividend**

Dividend Income is recognized when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

**Other Income**

Other Income is recognized in the statement of profit and loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

**14. Employee Benefits**

**14.1. Short Term Benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**14.2. Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two type:



## **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

### **14.2.1. Defined contribution plans**

Defined contribution plans are those plans in which a group pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation.

### **14.2.2. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

### **14.2.3. Long Term Employee Benefit**

Benefits under the Group's leave encashment constitute other long term employee benefits.

Leave Encashment is determined based on the available leave entitlement at the end of the year.

## **15. Income Taxes**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under 'Income tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable group, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent it is probable evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer probable that Company will be able to absorb such credit during the specified period.



### **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

#### **16. Leases As Lessee**

Ind AS 116 - Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly the company has not restated the comparative information. Further, in respect of leases that were classified as operating leases applying Ind AS 17. There is no impact on Opening Retained Earnings.

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

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

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

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.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" / "Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent" / "Other expenses", "Depreciation and amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods.

#### **17. Impairment of Non-financial Assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of goodwill of that CGU, if any and then the assets of the CGU.



### **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **18. Operating Segments**

In accordance with Ind AS 108—Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. For management purpose company is organized into major operating activity of hoteliering in India. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

#### **19. Dividends**

Dividends and interim dividends payable to a Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

#### **20. Material Prior Period Errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

#### **21. Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### **22. Statement of Cash Flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.

#### **23. Financial instruments**

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

##### **23.1. Financial assets**

###### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

###### **Subsequent measurement**

###### **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized 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 amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an



### **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### **Debt instrument at fair value through other comprehensive income**

A 'debt instrument' is classified as at the fair value through other comprehensive income if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

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

#### **Debt instrument at fair value through profit and loss**

Fair value through profit and loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income, is classified as at fair value through profit and loss.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit and loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the profit and loss.

#### **Equity investments**

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income or fair value through profit and loss. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at fair value through other comprehensive income, then all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However the company may transfer cumulative gain or loss within the equity.

Equity instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries and joint ventures are measured at cost.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Group'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.



## **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

### **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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Lease Receivables under Ind AS 17

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

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

Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18, if they do not contain a significant financing component

Trade receivables or contract assets resulting from transactions within the scope of and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

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

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

### **Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **Derecognition**

A financial liability is derecognized 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 recognized in the statement of profit or loss.

#### **Derivative financial instruments**

The Company uses forwards to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.



### **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

**Hedges that meet the criteria for hedge accounting are accounted for as follows:**

**a) Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

**b) Fair Value Hedge**

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

- 24.** The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/investments, impairment charges, exchange gain/loss on long term borrowings/ assets and changes in fair value of derivative contract.

**A. Major Estimates made in preparing Financial Statements**

**1. Useful life of property, plant and equipment**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

**2. Leases**

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 there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group 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 lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.



### **Significant Accounting Policies for the FY 2019-20:- Consolidated Financial Statements**

#### **3. Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

#### **4. Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

#### **5. Impairment Test of Non-Financial Assets:**

The recoverable amount of investment in subsidiary is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

#### **6. Estimation uncertainty relating to 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 the public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended upto June 30, 2020. The lockdowns and restrictions imposed on various activities due to pandemic have posed challenges to all the businesses of the Company and its subsidiaries & associates.

Lockdown guidelines issued by the Government authorities mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in shutdowns / low occupancies of our hotels pan India.

All of the hotels of the Company were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services. With the lifting of the partial lockdown restrictions, the Company has started re-opening the hotels after establishing the prescribed safety protocols. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, stacations, domestic business travel and limited international travel.

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The Company has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. Various steps have been initiated to raise finances from banks and institutions for working capital needs and long term fund requirements and the Company is in a comfortable liquidity position to meet its commitments during the current financial year. The Company does not foresee any disruption in raw material supplies.

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





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 2: PROPERTY PLANT & EQUIPMENT**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2019	Additions	Deletions/ Adjustment	As at 31.03.2020	Upto 01.04.2019	For the Year	Deletions/ Adjustment	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>OWNED ASSETS</b>										
Freehold Land	2,634.84	-	-	2,634.84	-	-	-	-	2,634.84	2,634.84
Leasehold Land <sup>#</sup>	2,144.61	-	(2,142.17)	2.44	92.91	-	(92.91)	-	2.44	2,051.70
Buildings	12,135.90	121.87	(0.30)	12,257.47	4,071.65	1,405.10	-	5,476.75	6,780.72	8,063.95
Plant and Equipments	2,679.35	260.31	(18.92)	2,920.74	1,008.50	345.34	(15.13)	1,338.71	1,582.03	1,670.52
Furniture & Fixtures	1,722.25	396.81	(283.43)	1,835.63	1,068.47	324.51	(278.63)	1,114.35	721.29	652.35
Service Equipment	271.00	8.52	(4.88)	274.64	147.94	53.50	(4.67)	196.77	77.87	123.04
Vehicles	163.46	-	(81.71)	81.75	58.26	26.40	(77.63)	7.03	74.71	105.19
Computers	241.40	14.08	(0.31)	255.16	183.28	21.25	(0.09)	204.44	50.72	57.92
<b>RIGHT OF USE ASSETS *</b>										
Land		9,895.47		9,895.47		316.80	-	316.80	9,578.67	-
Hotel Properties		6,435.03		6,435.03		873.07	-	873.07	5,561.96	-
Offices		138.13		138.13		37.39	-	37.39	100.74	-
<b>Total</b>	<b>21,992.80</b>	<b>17,270.22</b>	<b>(2,531.72)</b>	<b>36,731.30</b>	<b>6,631.01</b>	<b>3,403.36</b>	<b>(469.06)</b>	<b>9,565.31</b>	<b>27,165.99</b>	<b>15,359.51</b>

# Transferred to Right of Use Assets

\* 1. Right of Use assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options.

2. Amounts recognised in profit or loss:

(Rs. In Lakhs)

Particulars	As at 31.03.2020
Depreciation of Right of Use Assets	1,227.26
Additional Lease Payments shown as Lease Rent ^	231.04
Interest on Lease Liabilities	1,488.61
<b>Total</b>	<b>2,946.91</b>

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2018	Additions	Deletions/ Adjustment	As at 31.03.2019	Upto 01.04.2018	For the Year	Deletions/ Adjustment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Freehold Land	2,668.79	-	(33.95)	2,634.84	-	-	-	-	2,634.84	2,668.79
Leasehold Land	2,114.11	30.50	-	2,144.61	61.93	30.98	-	92.91	2,051.70	2,052.18
Buildings	11,310.89	919.95	(94.94)	12,135.90	2,564.22	1,571.96	(64.20)	4,071.98	8,063.93	8,746.67
Plant and Equipments	2,365.34	427.74	(113.73)	2,679.35	710.38	317.08	(18.68)	1,008.78	1,670.57	1,654.96
Furniture & Fixtures	1,392.62	384.46	(54.83)	1,722.25	795.05	316.33	(41.44)	1,069.94	652.31	597.57
Service Equipment	236.47	51.53	(17.00)	271.00	89.83	69.01	(10.88)	147.96	123.04	146.64
Vehicles	139.86	26.34	(2.74)	163.46	44.67	26.94	(13.37)	58.24	105.22	95.19
Computers	220.67	28.63	(7.90)	241.40	153.30	35.49	(5.31)	183.48	57.92	67.37
<b>Total</b>	<b>20,448.74</b>	<b>1,869.15</b>	<b>(325.09)</b>	<b>21,992.80</b>	<b>4,419.38</b>	<b>2,367.79</b>	<b>(153.88)</b>	<b>6,633.29</b>	<b>15,359.51</b>	<b>16,029.37</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 3 : CAPITAL WORK-IN-PROGRESS**

(Rs. In Lakhs)

Particulars	As at 01.04.2019	Additions	Capitalised during the year	As at 31.03.2020
Capital work in progress	150.53	705.16	843.88	11.81
<b>Total</b>	<b>150.53</b>	<b>705.16</b>	<b>843.88</b>	<b>11.81</b>

(Rs. In Lakhs)

Particulars	As at 01.04.2018	Additions	Capitalised during the year	As at 31.03.2019
Capital work in progress	35.47	115.06	-	150.53
<b>Total</b>	<b>35.47</b>	<b>115.06</b>	<b>-</b>	<b>150.53</b>

**The amount of expenditures recognised in CWIP during construction period**

(Rs. In Lakhs)

Particulars	For the year Ended as on 31.03.2020	For the year Ended as on 31.03.2019
(a) Expenses Recognised in P/L Employee Benefits Expenses	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>
(b) Capital Inventory and stores	705.16	115.06
<b>Total additions during the year (a) + (b)</b>	<b>705.16</b>	<b>115.06</b>

^carried to Capital Work in Progress (Note 3)

**Note 4: INTANGIBLE ASSETS**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2019	Additions	Deletions/ Adjustment	As at 31.03.2020	Upto 01.04.2019	For the Year	Deletions/ Adjustment	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Software & Licences	116.36	2.02	-	118.38	99.11	16.57	-	115.68	2.69	17.25
<b>Total</b>	<b>116.36</b>	<b>2.02</b>	<b>-</b>	<b>118.38</b>	<b>99.11</b>	<b>16.57</b>	<b>-</b>	<b>115.68</b>	<b>2.69</b>	<b>17.25</b>

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2018	Additions	Deletions/ Adjustment	As at 31.03.2019	Upto 01.04.2018	For the Year	Deletions/ Adjustment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Software & Licences	99.16	17.20	-	116.36	27.28	71.85	(0.02)	99.11	17.25	71.88
<b>Total</b>	<b>99.16</b>	<b>17.20</b>	<b>-</b>	<b>116.36</b>	<b>27.28</b>	<b>71.85</b>	<b>(0.02)</b>	<b>99.11</b>	<b>17.25</b>	<b>71.88</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NON-CURRENT FINANCIAL ASSETS**

**Note 5 : Investment in Associate**

Particulars	Number of shares Current Year / (Previous Year)	Face Value per share Current Year / (Previous Year)	As at 31st March, 2020	As at 31st March, 2019
<b>Investment in Associate</b> <b>(Accounted for using Equity Method)</b> <b>Equity Instruments- Unquoted Fully paid up</b>				
Barbeque-Nation Hospitality Ltd.	1,26,21,116 (1,26,21,116)	5.00 (5.00)	266.76	8,340.43
<b>Total</b>			<b>266.76</b>	<b>8,340.43</b>

During the period under review, Associate has acquired 61.35% stake in Red apple Kitchen Consultancy Private Limited. The non-controlling interests in Red Apple are entitled for put options to sell their equity shares in accordance with the terms of underlying agreements with shareholders. Should the option be exercised, the Associate has to settle such liability by payment of cash. As at the acquisition date, the amount that may become payable on the exercise of option is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity. And accordingly Group has also recognised its share of changes amounting to Rs.(-)4000.07 lakhs.

Further Associate has restated its financials due to retrospective impact of IND AS 116, due to which there has been a major change in Company's Reconciliation:-

Opening Balance	8,340.43
Put Option to Non Controlling Interest	(4,000.07)
Adj on account of Ind AS 116	(2,493.65)
Profit earned during the year	(1,579.95)
<b>Total</b>	<b>266.76</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 6 : Non - Current Financial Assets: Investments**

(Rs. In Lakhs)

Particulars	Number of shares Current Year / (Previous Year)	Face Value per share Current Year / (Previous Year)	As at 31st March, 2020	As at 31st March, 2019
<b>A. Trade Investment (Unquoted At FVTPL)</b>				
Genex Hotels Pvt. Ltd.	1,100	10.00	0.11	0.11
	(1,100)	(10.00)		
Winner Hotels Pvt. Ltd	2,300	10.00	0.23	0.23
	(2,300)	(10.00)		
Exellent Estate Dev. P. Ltd.	65,000	10.00	-	0.01
	(65,000)	(10.00)		(0.01)
Ahilya Hotels Ltd.	2,76,185	10.00	-	-
	(2,76,185)	(10.00)		
Less: Provision for Impairment			(0.23)	(0.23)
<b>Sub-Total (A)</b>			<b>0.11</b>	<b>0.11</b>
<b>B. Other Investments (Unquoted At FVTPL)</b>				
Bharat Equity Services Ltd.	1,00,000	10.00	0.10	0.10
	(1,00,000)	(10.00)		
<b>Sub-Total (B)</b>			0.10	0.10
<b>Total (A+B)</b>			<b>0.21</b>	<b>0.21</b>

**Note 7 : Non - Current Financial Assets: Loans**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered good		
Security Deposits*	938.68	757.97
<b>Total</b>	<b>938.68</b>	<b>757.97</b>

\* As on 31.03.2020 Include Rs. 758.11 lacs (Previous year Rs.682.34 lacs) deposit given to Prinrite Hospitality Pvt Ltd and Rs.57.17lacs (31 March, 2019 Rs. 51.31 Lakhs) given to M/s Vicon Imperial Private Ltd.

**Note 8 : Non-current Financial Assets : Others**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposits Against lien & Bank Guarantee*	120.38	100.53
<b>Total</b>	<b>120.38</b>	<b>100.53</b>

\*Maturity after 12 months & pledged with bank against margin money.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 9 : Deferred Tax assets (net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Deferred Tax assets</b>		
On account of Timing Difference in Carry Forward losses & Depreciation	69.18	63.12
Expenses Disallowed under I.T. Act., 1961	282.76	189.96
Depreciation on fixed assets	1542.98	1,314.14
Right of use Assets (Net of lease liability)	57.95	-
MAT Credit entitlement	0	19.32
Impairment on value of investment	0	49.67
Other Ind AS Adjustments	44.78	18.59
<b>Total Deferred Tax Assets</b>	<b>1,997.65</b>	<b>1,654.80</b>
Other Ind AS Adjustments	240.90	775.28
Cash Flow hedge reserve	4.40	
Transaction cost on borrowings	13.17	43.15
<b>Total Deferred Tax Liabilities</b>	<b>258.47</b>	<b>818.43</b>
<b>Net Deferred Tax(Liability)/Assets*</b>	<b>1,739.18</b>	<b>836.38</b>
Less: Adjustment on account of Deferred tax of Aries Hotel Pvt Ltd. (Asset held for sale)	-	(3.76)
	<b>1,739.18</b>	<b>832.62</b>
<b>Amount debited/(Credited) to Profit &amp; Loss Statement</b>	<b>906.56</b>	<b>(31.75)</b>

\* Deferred tax liability for the year have been arrived at by taking the tax rate of 27.82% (31 March, 2019 27.82%) which is inclusive of education cess.

**Movement in Deferred Tax Asset/Liability For the Year Ended As on 31.03.2020**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2019	Recognized in profit or loss	Recognized Directly in Retained Earnings	Recognized in OCI	Closing Balance as at 31.03.2020
<b>Deferred tax Liabilities:</b>					
Other Ind AS Adjustments	771.03	(530.44)	-	-	240.90
Transaction cost on borrowings	43.15	(29.98)	-	-	13.17
<b>Less: Deferred tax assets:</b>	-	-	-	-	-
Carry Forward losses & Depreciation	63.12	6.06	-	-	69.18
Expenses Disallowed under I.T. Act., 1961	1,271.85	(983.11)	-	-5.98	282.76
Depreciation on fixed assets	232.26	1,310.72	-	-	1,542.98
On cash Flow hedge reserve	-	-	-	4.40	(4.40)
MAT Credit entitlement	19.32	(19.32)	-	-	-
Other Ind AS Adjustments	64.01	38.72	-	-	102.73
<b>Directly Accounted in Retained Earnings</b>					
On Account of Deferred Tax Impact of Associate	-	-	774.70	-	-
On Account Issue of Preference Shares	-	-	(242.69)	-	-
<b>Net Tax (assets)/liabilities</b>	<b>(836.38)</b>	<b>(913.49)</b>	<b>532.01</b>	<b>1.58</b>	<b>(1,739.18)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Movement in Deferred Tax Asset/Liability For the Year Ended As on 31.03.2019**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2018	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2019
<b>Deferred tax Liabilities :</b>				
Other Ind AS Adjustments	820.26	(49.23)	-	771.03
Transaction cost on borrowings	29.87	13.28	-	43.15
Less: Deferred tax assets:			-	
Carry Forward losses & Depreciation	106.51	(43.39)	-	63.12
Expenses Disallowed under I.T. Act., 1961	1,338.54	(58.50)	(8.19)	1,271.85
Depreciation on fixed assets	188.17	44.09	-	232.26
On cash Flow hedge reserve	-	-	-	-
MAT Credit entitlement	20.60	(1.28)	-	19.32
Other Ind AS Adjustments	64.44	(0.43)	-	64.01
<b>Net Tax (assets)/liabilities</b>	<b>(868.13)</b>	<b>23.56</b>	<b>8.19</b>	<b>(836.38)</b>

**Note 10 : Other non-current assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Capital Advances*</b>		
Unsecured	4.01	22.55
<b>Advances Other Than Capital Advances</b>		
Prepaid Lease Charges	4.53	1,234.68
Deferred Lease Expenses	9.98	11.49
Electricity Deposit	87.83	119.29
Raipur Lease- Stamp Duty payment Unamortised	51.54	56.23
<b>Total</b>	<b>157.89</b>	<b>1,444.24</b>

\*Given for business purpose.

**Note 11 : Inventories**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(Valued at cost or NRV whichever is less &amp; certified by management)</b>		
Operating Supplies	1,852.48	1,843.19
Food & Beverages	161.09	162.97
<b>Total</b>	<b>2,013.57</b>	<b>2,006.16</b>

**Disclosure As per Ind AS 2, Inventories**

**(i) Amount of inventories recognised as expense during the year is as under:**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Operating Supplies	604.69	760.95
Food & Beverages	4,658.29	4,810.49
<b>Total</b>	<b>5,262.98</b>	<b>5,571.44</b>

(ii) Refer Note 26.1 for information on inventory pledged as security by the Company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 12 : Current Financial Assets: Trade Receivables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, Considered Good</b>	643.09	1,072.52
<b>Considered doubtful</b>		
Less: Receivable with signifiacnt increase in credit risk	(28.72)	-
Less: Receivables credit impaired	(35.14)	(36.97)
<b>Total</b>	<b>579.23</b>	<b>1,035.55</b>

**Note 13 : Cash and Cash Equivalents**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Cash on Hand</b>	61.55	45.50
<b>Balances with Bank</b>		
In current Accounts With Scheduled Bank	424.02	485.78
Investment in Liquid Funds	73.26	-
<b>Total</b>	<b>558.83</b>	<b>531.28</b>

**Note 14 : Bank Balances Other than Cash and cash equivalents**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposits Against lien	14.04	17.59
<b>Total</b>	<b>14.04</b>	<b>17.59</b>

**Note 15 : Current Financial Assets: Loans**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, Considered good</b>		
Staff Advances & Loan	20.62	23.73
Intercompany Deposits	790.39	502.79
Other Loans & Advances*	181.83	101.88
<b>Total</b>	<b>992.84</b>	<b>628.40</b>

\*Loans and advances have been given for business purposes.

**Note 16 : Other Current Financial Assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Others	354.49	313.88
Telephone Deposit	0.34	0.34
Bank Charges-Receiveable	-	0.04
Advance for expenses	0.67	0.64
GST Receiveable on Bank Charges	-	0.03
Less: Provision for doubtful advances	-	(1.72)
<b>Total</b>	<b>355.50</b>	<b>313.21</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 17 : Other Current Assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Income Tax	13.18	37.20
Provision for current year Tax	-	(12.05)
<b>Total</b>	<b>13.18</b>	<b>25.15</b>

**Note 18 : Other current assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Prepaid Expenses	127.98	145.42
Prepaid lease charges	0.90	105.90
Other current assets	25.84	14.41
Advance to suppliers for goods & services*	51.48	65.43
Balance with Govt. authorities	793.64	655.28
Current portion of Unamortised Stamp Duty Payment of Raipur Lease	4.69	4.69
<b>Total</b>	<b>1,004.53</b>	<b>991.13</b>

\*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.

**Note 19 : Asset Held for Sale**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Interest In Subsidiary</b>		
Aries Hotels Private Limited	-	670.77
Less: Provision for Impairment (52,18,000 shares of Rs 10 each)	-	(52.41)
<b>Total</b>	-	<b>618.36</b>
Liability directly associated with Assets classified as Held for Sale	-	43.60
<b>Total</b>	-	<b>43.60</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**EQUITY**

**Note 20 : Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>AUTHORISED</b>		
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity Shares of Rs.10/- each)	3,000.00	3,000.00
1,000,000 Preference Shares of Rs. 100/- each (Previous year 1,000,000 Preference Shares of Rs. 100/- each)	1,000.00	1,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>ISSUED</b>		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>
<b>SUBSCRIBED &amp; PAID-UP</b>		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares	Rs. in Lakhs	No of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	1,75,18,000	1,751.80	1,75,18,000	1751.8
Add : Fresh issue during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,75,18,000</b>	<b>1,751.80</b>	<b>1,75,18,000</b>	<b>1751.8</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 21 : Other Equity**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
Equity Component of Cumulative Preference Shares	21.1	881.32	251.66
Securities Premium	21.2	5944.6	5,944.60
General Reserve	21.3	641.48	641.48
Retained Earnings	21.4	(1766.80)	5,378.75
Cash Flow Hedge Reserve	21.5	(47.55)	-
Other comprehensive share	21.6	(221.96)	(102.52)
<b>Total</b>		<b>5431.09</b>	<b>12,113.97</b>

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>21.1 Equity Component of Compound financial instrument</b>		
Opening at beginning	251.66	251.66
Addition during the year	629.66	-
Utilised during the year	-	-
<b>Closing at end</b>	<b>881.32</b>	<b>251.66</b>
<b>21.2 Securities Premium</b>		
Opening at beginning	5,944.60	5,944.60
Addition during the year	-	-
Utilised during the year	-	-
<b>Closing at end</b>	<b>5,944.60</b>	<b>5,944.60</b>
<b>21.3 General Reserve</b>		
Opening at beginning	641.48	641.48
Addition during the year	-	-
Utilised during the year	-	-
<b>Closing at end</b>	<b>641.48</b>	<b>641.48</b>
<b>21.4 Retained earnings</b>		
Opening at beginning	5,378.76	5,760.49
Addition during the year	(1,829.31)	(446.60)
Ind AS Adjustment in Associate Leases	(2,614.59)	-
Other Adjustments relating to Associate	(3,752.81)	-
Sale of Investment in Associate	260.92	-
Deferred Tax Impact	774.70	43.88
Net actuarial Gain / (Loss) on defined benefit plan	15.53	20.98
<b>Closing at end</b>	<b>(1,766.80)</b>	<b>5,378.75</b>
<b>21.5 Cash Flow Hedge Reserve</b>		
Opening at beginning	-	-
Addition during the year	(47.55)	-
<b>Closing at end</b>	<b>(47.55)</b>	<b>-</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

	Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>21.6</b>	<b>Other comprehensive Income</b>		
	Opening at beginning	(102.52)	(13.63)
	Addition during the year	(119.44)	(88.89)
	Transfers to profit and loss	-	-
	<b>Closing at end</b>	<b>(221.96)</b>	<b>(102.52)</b>
	<b>Total Other Equity</b>	<b>5,431.09</b>	<b>12,113.97</b>
<b>21.7</b>	<b>Non Controlling Interest</b>		
	Opening at beginning	478.35	466.51
	Aries share	(281.77)	
	Opening of Malwa	(85.38)	
	Addition during the year	-	11.84
	<b>Closing at end</b>	<b>111.20</b>	<b>478.35</b>

**Note 22 : Non Current Financial Liabilities: Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>A. Secured Term Loans</b>		
i) From Banks	2989.92	3,842.20
ii) From Financial Institutions	916.31	303.92
iii) From NBFC	1720.97	1,844.84
<b>Total (A)</b>	<b>5,627.20</b>	<b>5,990.96</b>
<b>B. Unsecured Borrowing</b>		
i) Preference shares 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous year 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each)	1357.52	2,013.60
ii) Related Parties	-	-
iii) Others	108.10	-
<b>Total (B)</b>	<b>1,465.62</b>	<b>2,013.60</b>
<b>Total (A+B)</b>	<b>7,092.82</b>	<b>8,004.56</b>

**(a) Terms/rights attached to preference shares :**

**22.1** That during Financial year 2014-15 company had issued 10,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs.50/- each. Out of above, pending 83338 shares were subscribed & paid up during the year 2015-16.(P.Y. 10,00,000 Preference Shares) of Rs.100/- each)

**22.2** That above shares were to be redeemed within five years from the date of issue of same, but the redemption period of the 10% Cumulative Preference shares is extended by the Preference Shareholders mutually for the further period of 5 years from the original date of the allotment.

**22.3** These shares are in the nature of compound financial instruments. And so they are bifurcated into equity and liability component in accordance with Ind AS 32. Equity component is computed as below:

Particulars	(Rs. in Lakhs)
Preference Share Capital (Subscribed and paid up)	1,000.00
Add: Securities Premium on issue	500.00
Add: Addition during the year	(629.66)
Less: Liability component (Present value of Contractual Cash Outflows)	(1,751.66)
<b>Equity Component</b>	<b>(881.32)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**22.4** That above Preference share holders are having preference over payment of dividend to equity share holders and accordingly arrears of preference dividends is required to be cleared before payment to Equity Share holders. And on the date of Balance Sheet, dividend on preference shares for more than 3 years are in arrears. And accordingly vide Second Proviso to Section 47(2) of the Companies Act, 2013, in case company is unable to pay dividend on preference shares for two years or more then such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

**22.5 Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:-**

Name	Category	As at 31st March, 2020		As at 31st March, 2019	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Saba Dhanani	Promoter	12.50%	125000	12.50%	125000
Azhar Dhanani	Promoter	12.50%	125000	12.50%	125000
Zuber Yusuf Dhanani	Promoter	12.50%	125000	12.50%	125000
Sadiya Dhanani	Promoter	12.50%	125000	12.50%	125000
Kayum Dhanani	Promoter	12.50%	125000	12.50%	125000
Sara Dhanani	Promoter	12.50%	125000	12.50%	125000
Sanya Dhanani	Promoter	12.50%	125000	12.50%	125000
Suchitra Dhanani	Promoter	12.50%	125000	12.50%	125000

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

**22.6 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 1st March, 2019
Outstanding at the beginning of the year	1,000,000	1,000,000
Add : Issued during the year	-	-
Outstanding at the end of the year	1,000,000	1,000,000

**22.7 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN**

**22.7.1** All Secured loans have been netted from the instalments falling due within twelve months after the reporting date.

and summarized outstanding position is as under :

(Rs. In Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non-Current	Current	Non-Current
<b>From Banks</b>				
State Bank of India	641.01	1,578.60	697.34	2,277.75
Axis Bank Ltd	285.53	1,373.37	618.96	1,512.43
State Bank of Mysore			-	-
ICICI Bank			-	-
HDFC Bank Ltd	15.33	37.95	15.43	52.02
<b>Sub Total (i)</b>	<b>941.87</b>	<b>2,989.92</b>	<b>1,331.73</b>	<b>3,842.20-</b>
<b>From Financial Institutions</b>				
TFCI	380.00	916.31	400.00	303.91
<b>Sub Total (ii)</b>	<b>380.00</b>	<b>916.31</b>	<b>400.00</b>	<b>303.91</b>
<b>From NBFC</b>				
Aditya Birla Finance Ltd	152.53	1,720.96	259.85	1,844.85
<b>Sub Total (iii)</b>	<b>152.53</b>	<b>1,720.96</b>	<b>259.85</b>	<b>1,844.85</b>
<b>GRAND TOTAL (i)+(ii)+(iii)</b>	<b>1,474.40</b>	<b>5,627.20</b>	<b>1,991.58</b>	<b>5,990.96</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

- 22.7.2** Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, HDFC Bank Ltd.
- 22.7.3** Term loans outstanding of State Bank of India include term loans account. Loan are secured by way of mortgage of land & building at Indore hotel, Amber garden Indore, Vadodara & Pune & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered to the bankers for securing the working capital finance. The terms of repayment of all term loans of State Bank of India is on quarterly basis & interest is payable on monthly basis.
- 22.7.4** Term loans outstanding of Axis Bank Ltd include term loans account and corporate loan. Term loan outstanding is secured by way of first charge on Company's Indore, Pune and Vadodara Hotel's entire fixed assets, present & future, ranking parri passu with other existing term lenders. The term of repayment is on monthly basis for term loan and corporate loan & interest is payable on monthly basis.
- 22.7.5** Vehicle loans outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.
- 22.7.6** Secured term loans from Financial Institutions & others includes term loan outstanding of Tourism Finance Corporation of India Ltd (TFCIL) and Aditya Birla Finance Limited.
- 22.7.7** Term loan outstanding from TFCIL is secured on pari-passu basis by way of mortgage of land & building at Indore, Pune & Vadodara & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. And by way of Mortgage of lease hold right of Amber Garden, Indore along with building Structure thereon and first charge by way of hypothecation of movables of Bhopal Club project, Bhopal. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis, This loan is personally guranteed by Smt Suchitra Dhanani.
- 22.7.8** Corporate loan outstanding from Aditya Birla year is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Amber Garden, Pune and Vadodara and Hypothecation of the plant and machinery and other movable fixed assets of company (present and future except vehicles Funded through Vehicle Loan). The term of repayment of prinipal and interest is on monthly basis.
- 22.7.9** Term loans of Malwa hospitality Pvt. Ltd outstanding of State Bank of India include term loans account. Loan are secured by way hypothecation of entire fixed assets of company.

**Note 23 : Other Non Current Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deposits From Tenants	48.01	46.95
Finance Lease Payable	-	18.62
Lease Liability Payable	12,287.78	-
Others*	2,000.00	2,000.00
<b>Total</b>	<b>14,335.79</b>	<b>2,065.57</b>

\*Payable towards cancellation of agreement for land at Indore hotel. This amount is now payable FY 2023-24. Interest @ 9% p.a is payable on the outstanding amount.

**Note 24 : Provisions**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provisions for Employee Benefits</b>		
Gratuity	423.98	356.24
Leave Encashment*	257.39	354.42
<b>Total</b>	<b>681.37</b>	<b>710.66</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 25 : Deferred Revenue**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(a) Subsidy received from M.P. State Tourism Development Corp. Ltd.*</b>		
<b>Opening Balance</b>	<b>530.12</b>	<b>600.44</b>
Add: Received During the Year	-	-
Less: Amortised During the Year	61.3	70.32
<b>Closing Balance</b>	<b>468.82</b>	<b>530.12</b>
Less : Current Portion	53.21	61.30
<b>Non Current Balance at the end of the year</b>	<b>415.61</b>	<b>468.82</b>
<b>(b) Life Membership Fees</b>		
<b>Opening Balance</b>	<b>49.07</b>	<b>55.76</b>
Add: Received During the Year	-	-
Less: Amortised During the Year	6.69	6.69
<b>Closing Balance</b>	<b>42.38</b>	<b>49.07</b>
Less : Current Portion	6.69	6.69
<b>Non Current Balance at the end of the year</b>	<b>35.69</b>	<b>42.38</b>
<b>Closing at end</b>	<b>451.30</b>	<b>511.19</b>

\* During year 2016-17, company has received Capital Subsidy under M.P. Tourism Policy, 2010 (as amended in 2014) amounting to Rs. 729.93 Lacs against its "Amber Convention Centre", Indore. As per AS-12 "Accounting for Government Grants", the above subsidy is treated as deferred income and is recognised in profit and loss account on a systematic and rational basis over the useful life of assets. Such allocation has been made over the periods and in proportions in which depreciation on "Amber Convention Centre" is charged.

**Note 26 : Current Financial Liabilities : Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>A. Secured</b>		
Working capital facilities from Banks	32.56	563.13
<b>Total (A)</b>	<b>32.56</b>	<b>563.13</b>
<b>B. Unsecured</b>		
Loans From related parties	157.20	1,129.53
Loans From others	571.60	718.76
<b>Total (B)</b>	<b>728.80</b>	<b>1,848.29</b>
<b>Total (A+B)</b>	<b>761.36</b>	<b>2,411.42</b>

**26.1** Working capital facilities include Cash Credit Facilities from Axis Bank outstanding Rs.(32.56) lacs (at 31 March 2019- Rs.563.13 lacs), both of which are secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. of the company and also by way of a second charge on the immovable properties of the company at Indore, Baroda and Pune.

**26.2** Loans from related parties & others includes loan from directors & associate companies.

**Note 27 : Current Financial Liabilities: Trade Payables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables*		
Total outstanding dues of micro enterprises and small enterprises; and	15.64	16.06
Total outstanding dues of creditors other than micro enterprises and small enterprises.	1391.24	1,277.39
<b>Total</b>	<b>1,406.88</b>	<b>1,293.45</b>

\*Trade payables are for goods purchased and services taken during the normal course of business.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**"Information in respect of micro and small enterprises as at 31 March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)"** (Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Amount remaining unpaid to any supplier	15.64	16.06
Principal amount	-	-
Interest due thereon 0	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

**Note 28 : Other Current Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Current Maturities of Long-Term Loans*</b>		
<b>Secured Term Loans</b>		
From Banks	941.87	1,330.73
From Financial Institutions	380.00	400.00
From NBFC	152.53	259.85
<b>Total (A)</b>	<b>1,474.40</b>	<b>1,990.58</b>
<b>Others</b>		
Creditors for capital Expenditure	121.15	43.12
Derivative Liabilities	4.42	46.59
Finance lease payable	100.93	1.89
Prepaid Lease Finance	17.23	22.78
Lease Liability Payable	562.33	-
Others	0.52	1.14
<b>Total (B)</b>	<b>806.58</b>	<b>115.52</b>
<b>Total (A+B)</b>	<b>2,280.98</b>	<b>2,106.10</b>

\* Refer note no.- 22.7 for loanwise current maturities and other terms and conditions.

**Note 29 : Other Current Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current portion of deferred revenue	59.9	67.99
Advance received from customers	417.16	298.73
Statutory Dues	445.89	357.13
Advance received for sale of Investments	-	275.99
Book Overdrafts	87.32	-
Others	15.77	82.89
<b>Total</b>	<b>1,026.04</b>	<b>1,082.73</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 30 : Provisions**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for</b>		
Gratuity	111.22	98.37
Leave Encashment	62.95	23.13
Bonus	216.45	206.72
Audit Fess	0.50	0.40
Expenses	213.56	268.08
<b>Total</b>	<b>604.68</b>	<b>596.70</b>

**Note 31 : Revenue From Operations**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Sale of Products &amp; Services (Gross)</b>		
Rooms	9,665.26	9,239.81
Food and Beverages	12353.86	13,151.09
Other Services*	1987.34	2,050.19
<b>Total</b>	<b>24,006.46</b>	<b>24,441.09</b>

\*Revenue from others services includes income from club, rental income and income from banquet service etc.

**Note 32 : Other Income**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Earned	95.69	59.93
Other Non –Operating Income	129.17	191.39
Sundry Balances W/off	-	-
Excess/(Short) Provision of Earlier Year Written Back	56.19	21.72
Management Fees	0.00	-
Deferred Revenue Income (Subsidy)	61.3	70.32
Profit on Redemption of Mutual Funds	3.57	4.96
Profit on sale/disposal of assets	-	0.12
Other	-	99.53
Finance income on security deposit	89.04	82.37
<b>Total</b>	<b>434.96</b>	<b>530.34</b>

**Note 33 : Food & Beverages Consumed**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Stock	162.97	139.00
Add : Purchases*	4656.41	4834.46
	4819.38	4973.46
Less : Closing Stock	161.09	162.97
<b>Total</b>	<b>4658.29</b>	<b>4810.49</b>

\*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 34 : Employee Benefit Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries, Wages and Allowances	5841.92	5942.78
Contribution to P.F. and other Funds	379.77	400.04
Workmen and Staff Welfare Expenses	69.20	102.51
Workmen and Staff Uniform Expenses	179.45	188.22
<b>Total</b>	<b>6470.34</b>	<b>6633.55</b>

**Note 35 : Finance Cost**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on term Loan*	730.21	1062.47
Interest on Others**	505.51	497.86
Finance cost on lease payable	886.79	2.47
Other expenses#	5.98	4.24
Finance cost on Preference Share	216.30	215.76
Interest on Lease Liability	628.96	0.00
Foreign Exchange Fluctuation	0.00	92.25
<b>Total</b>	<b>2973.75</b>	<b>1875.05</b>

\*Interest expense includes interest paid on term loans & vehicle loans.

\*\*Interest on others includes interest on credit facilities.

#Other expenses includes bank charges. Other borrowing cost includes processing fees & up-front fees of loans and forward premium.

**Note 36 : Operating Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Stores & Operating Supplies*	604.69	760.95
Repairs and Maintenance		
Building	490.85	171.45
Plant & Machinery	183.38	190.27
Others	237.55	184.04
Laundry Expenses	272.94	283.11
Guest pick up Expenses	269.51	320.90
Cable TV Expenses	37.77	30.02
Banquet Service expenses	681.26	856.07
Other Operating Expenses **	628.14	587.99
Power and Fuel	2035.89	2008.98
<b>Total</b>	<b>5441.98</b>	<b>5393.78</b>

\*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

\*\*Other Operating Expenses includes house keeping & upkeep expenses, expenses for F&B operations & club.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 37: Other Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Lease Rent	231.04	1882.60
Amortisation of lease deposit	-	8.92
Brand Royalty	22.49	17.87
Rates & Taxes	213.18	209.64
Insurance	29.80	29.19
Travelling and Conveyance	81.85	119.44
Postage, Telegram and Telephones	74.16	81.21
Advertisement and Publicity	87.27	100.15
Legal & Professional	254.42	275.26
Printing and Stationery	56.75	60.38
Credit Card Commission	128.66	134.37
Commission & Discount	77.16	40.19
Other Expenses	349.79	279.80
Auditors' Remuneration		
Statutory audit	10.21	9.83
Certification other matters	3.00	2.50
Sundry Balances W/off	2.76	29.05
Management Consulting-Travelling & Salary Expenses	-	18.12
Provision for doubtful debts	39.58	4.75
Loss on Impairment of Investment	0.52	52.41
Loss On Disposal/Retirement Of Assets	(11.56)	89.72
<b>Total</b>	<b>1651.08</b>	<b>3445.39</b>

**Note 38 : Exceptional Items Expense/(Income)**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Litigation Settlement*	-	184.89
Payment under Sabka Vishwas (Legacy Dispute Resolution)Scheme, 2019**	469.40	-
<b>Total</b>	<b>469.40</b>	<b>184.89</b>

\*Litigation Settlement of Rs. 184.89 lakhs (Net) is the settlement amount as per the District Court order dated 23.02.2019 in the matter of dispute between the company and party regarding a portion of land. Company has got clear possession of the land as per the Court's order.

**Note 39: Payment under Sabka Vishwas**

\*\* Company has opted the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 announced by the Government for settlement of disputed matters of Service Tax, Excise etc. Total amount involved under such disputed matters was 992.70 lakhs which has been settled under the Scheme at Rs. 469.40 lakhs.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 40 : Earnings Per Share**

(Rs. In Lakhs)

Particulars	Unit	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a) Amount used as the numerator profit after tax	Rs. In lacs	(1,914.61)	(1,328.45)
Less: Dividend on Preference Shares & Income Tax Thereon		120.56	120.36
Net Profit/(Loss) attributable to equity share holders		(2,035.17)	(1,448.81)
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	Nos.	17518000	1,75,18,000
Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.	Nos.	-	-
Weighted average number of shares used in computing Diluted Earning per Share	Nos.	1,75,18,000	1,75,18,000
c) Nominal value per share	Rs.	10	10
d) Earnings Per Share:			
- Basic	Rs.	(11.62)	(8.27)
- Diluted	Rs.	(11.62)	(8.27)

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 41 : Disclosure as per Ind AS-7, Cash Flow Statement**

The Company has accessed the following undrawn facilities at the end of reporting period

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Working capital Loans		
Expiring Within One Year	842.44	875.00
Floating Rate Borrowings		
Expiring Within One Year	-	131.00

**Note 42 : Disclosure As per Ind AS-12 Income Taxes**

**i) Income Tax recognised in statement of profit & loss account.**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Current Tax Expenses</b>		
Current year	219.57	278.43
Adjustment for earlier year	(28.93)	0.87
MAT Credit entitlement	-	(18.70)
<b>Total current Tax expenses</b>	<b>190.64</b>	<b>260.60</b>
Deferred Tax Expenses	(379.90)	23.57
<b>Total Income tax expenses</b>	<b>(189.26)</b>	<b>284.17</b>

**ii) Income tax recognised in other comprehensive income**

(Rs. In Lakhs)

Particular	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Before tax	Tax expense/ Benefit	Net of tax	Before tax	Tax expense/ Benefit	Net of tax
-Net actuarial gain/loss on defined benefit plan	21.51	(5.98)	15.53	30.05	(8.19)	21.86
-Changes in cash flow hedge reserve	(51.95)	4.40	(47.55)	-	-	-

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before tax	(2,103.85)	(1,044.28)
Tax using company's domestic tax rate 27.82%(P.Y. 27.82%)	(547.37)	(290.52)
Add: Earlier Year tax	(28.93)	0.87
Add: MAT Adjustment	(19.32)	(18.70)
Add: Expenses not Allowed in Income Tax	26.97	328.53
Add: Deferred Tax	86.33	61.70
Less: Others	(74.11)	3.47
Less; Carry forward loss & depreciation	(68.16)	
Less: Exempt Income	(17.05)	(52.73)
Less: Profit or Loss charged at different tax rate	-	71.78
Less: Tax charge to/ credit on account of depreciation allowances	46.07	(41.15)
Add: Adjustment on account of Associate Share	406.31	220.92
Tax as per Statement of Profit & Loss	(189.26)	284.17
<b>Effective Rate of Tax</b>	<b>9.00%</b>	<b>-27.21%</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 43 : Disclosure as per Ind AS-116, Leases**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 by adopting 'modified retrospective approach' and accordingly company has not restated the comparative information. Further, in respect of leases that were classified as operating leases applying Ind AS 17, there is no impact on opening retained earnings. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset is measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments, relating to that lease recognised in the balance sheet immediately before the date of initial application i.e. 01.04.2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use assets' of Rs.16468.63 lakhs and a lease liability of Rs.13102.54 lakhs. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Consequent to the application of this standard, lease cost for the year was lower by Rs.1703.42 lakhs, depreciation and interest is higher by Rs. 1226.25 lakhs and Rs. 1488.61 lakhs respectively and Profit before taxes is lower by Rs.1011.45 lakhs. (Refer Note 2 for details with respect to 'Right-of-Use assets')

The summary of practical expedients elected on initial application is as follows:

- The company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- The company has not recognised right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- The company has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

"The Company has taken land on operating lease. The lease of hotel properties are generally long term in nature with varying terms and renewal rights expiring within five years to one hundred & ninety eight years. On renewal, the terms of the leases are renegotiated.

The overall lease rentals for the period are as follows:

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020
Minimum Lease payment/ Fixed Rentals	1,493.05
Contingent rent recognised in Profit or Loss as Lease Cost.	(1,262.01)
<b>Total</b>	<b>231.04</b>

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020
Minimum Lease payment	
Not later than one year; (including notional interest component)	1,884.49
Later than one year and not later than five years;	6,307.05
Later than five years;	1,01,533.38
<b>Total</b>	<b>1,09,724.92</b>

The bifurcation of total lease liabilities into Current and Non-Current is as follows:

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020
Current (excluding interest component on lease liability)	601.99
Non - Current	12,287.78
<b>Total</b>	<b>12,889.77</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 44 : Disclosure as per Ind AS-19, Employee benefits**

**(a) Defined benefit plan**

The Company makes annual contributions to the Employee's Group Gratuity scheme of the SBI Life Insurance Co. Ltd., a funded defined benefit plan for the qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the terms of the scheme. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the status of the funded gratuity plan and the amounts recognized in the company's financial statements as at March 31, 2020:-

**Changes in Present Value of Obligation** **(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
Present value of obligation as on last valuation	402.51	317.69
Current Service Cost	92.80	84.74
Interest Cost	30.18	24.53
Participant Contribution	-	-
Plan Amendments: Vested portion at end of period(Past Service)	-	-
Plan Amendments: Non-Vested portion at end of period(Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	26.26	4.38
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(74.17)	(34.34)
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other(Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	477.58	397.00

**Changes in Fair Value of Plan Assets** **(Rs. In Lakhs)**

Particulars	31st March, 2020	31st March, 2019
Fair value of Plan Assets at Beginning of period	24.54	17.91
Interest Income	1.87	1.55
Employer Contributions	-	5.00
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	-	(0.01)
Benefits Paid	-	-
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange Rates	-	-
Administrative Expenses and Insurance Premium	-	-
Return on Plan Assets excluding Interest Income	(0.15)	0.09
Fair value of Plan Assets at End of measurement period	26.26	24.54

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Table Showing Reconciliation to Balance Sheet**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Funded Status	(451.32)	396.99
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial gain/loss at end of the period	-	-
Post Measurement Date Employer Contribution(Expected)	-	-
Unfunded Accrued/Prepaid Pension cost	-	-
Fund Asset	26.26	24.54
Fund Liability	(477.58)	372.45

**Table Showing Plan Assumptions**

Particulars	31st March, 2020	31st March, 2019
Discount Rate	6.78%	7.60%
Expected Return on Plan Asset	7.60%	7.60%
Rate of Compensation Increase(Salary Inflation)	6.00%	6.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	27.96	28.51
Mortality Table	IALM 2012-2014 Ultimate	IALM 2012-2014 Ultimate
Superannuation at age-Male	58	58
Superannuation at age-Female	58	58
Early Retirement & Disablement (All Causes Combined)	18-29 years 32%, 30-45 years 18%	18-29 years 32%, 30-45 years 18%
above age 45	0.05	0.05
Between 29-45	0.18	0.18
below age 29	0.32	0.28
Voluntary Retirement	Ignored	Ignored

**Expense Recognized in statement of Profit/Loss**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Current Service Cost	92.14	84.73
Past Service Cost(vested)	-	-
Net Interest Cost	30.18	25.39
<b>Benefit Cost(Expense Recognized in Statement of Profit/loss)</b>	<b>120.45</b>	<b>107.71</b>

**Expense Recognized in Other Comprehensive Income**

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2019
Actuarial gain/loss on obligations due to Change in Financial Assumption	26.26	4.38
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(74.19)	(34.34)
Actuarial gain/loss on obligations due to Other reason	-	-
Total Actuarial (gain)/losses	(47.93)	(29.96)
Return on Plan Asset, Excluding Interest Income	0.15	0.09
The effect of asset ceiling	-	-
Balance at the end of the Period	(21.52)	(30.05)
<b>Net(Income)/Expense for the Period Recognized in OCI</b>	<b>(21.68)</b>	<b>(27.75)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Sensitivity Analysis**

Particulars	31st March, 2020		31st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	401.42	449.65	344.49	382.38
Salary Growth (-/+ 0.5%)	447.53	398.88	384.56	342.16

**Bifurcation of Net liability** (Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Current liability	78.14	98.37
Non-Current Liability	399.44	331.70
<b>Total Liability</b>	<b>477.58</b>	<b>430.07</b>

**(b) Defined Contribution Plan**

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

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Contribution towards Provident Fund and others	379.77	400.04
<b>Total</b>	<b>379.77</b>	<b>400.04</b>

**(c) Other Long Term Employee benefit**

The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

The Company has recognised the following expenses as other long term employee benefit under the head "Contribution to Provident Fund and Other Funds" (net of recoveries).

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Leave Ecashment	74.92	102.16
<b>Total</b>	<b>74.92</b>	<b>102.16</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 45 : Disclosure As per Ind AS-21, The Effects of Changes in Foreign Exchange Rates**

Foreign Currency transactions relating to monetary assets and liabilities as at the year end translated as per accounting policy no. 11, resulted in net gain/(Loss) of Rs. Nil Lakhs (PY Rs. 92.25 Lakhs) which has been accounted under relevant heads in Statement of Profit and loss.

**Note 46 : Disclosure as Per Ind AS-24, Related Party Disclosure**

**List of Related Parties**

**1 Associate Companies**

Barbeque-Nation Hospitality Limited  
Winner Hotels Pvt. Ltd.

**2 Key Management Personnel**

**Parent Company**

Mr. Raoof Razak Dhanani	Managing Director
Mr. Kayum Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Whole Time Director
Mr. Sandesh Khandelwal	Chief Financial Officer
Mr. Amit Sarraf	Company Secretary

**Malwa Hospitality Pvt. Ltd.**

Mrs. Suchitra Sajid Dhanani	Director
Mr. Raoof Razak Dhanani	Director
Mr. Kayum Dhanani	Director
Mr. T.N. Unni	Director
Mr. Manish Kushwaha	Manager
Mr. Vipul Tripathi	Manager
Mr. Ajay Gupta	CFO

**Sayaji House Keeping Services Ltd.**

Mr. Kayum Razak Dhanani	Director
Mr. Raoof Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director

**Sayaji Hotels (Vadodara) Limited**

Mr. Raoof Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director
Mr. Amit Kumar Sinha	Director

**Sayaji Hotels (Pune) Limited**

Mr. Raoof Razak Dhanani	Director
Mr. Kayum Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Sayaji Hotels Management Limited**

Mr. Raof Razak Dhanani	Director
Mr. Kayum Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director

**3 Enterprises where Key Management Personnel has control /interest**

**Parent Companies**

S S Management  
S.N. Travels  
Winner Hotels Pvt. Ltd.  
Trans Agro India Pvt. Ltd.  
A.R. Hospitality Pvt .Ltd.  
Vicon Imperial Pvt. Ltd.  
Tungabhadra Fertilizer &Chemical Co. Ltd.  
Prinite Hospitality Pvt. Ltd.

**Subsidiary Company**

**Aries Hotels Pvt. Ltd.**

Ahilya Hotels Pvt. Ltd.  
Taurus Qurium Impex (P) Ltd.  
Excellent Estate Dev. (P) Ltd.  
Late Sajid R Dhanani

**Malwa Hospitality Pvt. Ltd.**

M/s Tungabhadra Fertilizer & Chemical Ltd.  
M/s Sayaji Housekeeping Services Limited  
M/s Liberty Restaurent Pvt. Ltd.

**4 Relatives of KMPs**

Mr. Zuber Y Dhanani  
Mr. Azher Y Dhanani  
Mrs. Saba R Dhanani  
Mrs. Sadiya R Dhanani  
Mrs. Sara K Dhanani  
Mrs. Sanya S Dhanani  
Mr. Rizwan R Sheikh  
Mrs. Versha Khandelwal

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

Sr.No.	Nature of Transactions	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A</b>	<b>KEY MANAGEMENT PERSONNEL</b>		
	Remuneration/ Salary	90.32	99.24
	Payable At The Year End	157.20	1,129.53
	Payment Of Interest	131.40	185.03
<b>B</b>	<b>ASSOCIATE COMPANIES/ FIRMS/ RELATIVES</b>		
	Lease Rent Expenses	1,154.72	1,124.72
	Lease Deposit	1,215.00	1,215.00
	Income From Business Support Services	150.33	142.29
	Expenses From Business Support Services	-	94.99
	Receivable At The Year End	123.40	66.03
	Payable At The Year End	151.40	139.21
	Lease Rent And Cam Charges Received	42.00	152.87
	Reimbursement Of Expenses Received	65.35	-
	Payment Of Royalty & Service Charge	6.98	15.24
	Lease Rent Received	-	-
	Payment Of Interest	13.53	13.50
	Investments Sold During The Year	-	-
	Payment Of Salary	26.04	13.39
	Payment Of Professional Fee	9.00	9.00
<b>C</b>	<b>Compensation to KMP</b>		
	Short term employee benefits	-	-
	Post employment Benefit	-	-
	Other Long term benefits	-	-
	Termination Benefits	-	-
	Sitting fees	-	-

**Note 47 : Disclosure as per Ind AS-37, Provisions, Contingent Liabilities and Contingent Assets**

**Parent Company**

**I Contingent Liabilities not provided for :**

(I) Guarantee given on behalf of other companies is given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs. 2400 lakhs (P.Y. Rs 2400 lakhs).Outstanding balance of loan of Malwa Hospitality Pvt Ltd there against for the year ended 31st March, 2020 from SBI is Rs.1317.39lakhs (P.Y Rs 1685.38 lakhs).

**II Disputed statutory liabilities not provided for :**

- (ii) Custom duties saved against imports under EPCG scheme is Rs. 229.72 lakhs (P.Y Rs 229.72 lakhs)
- (iii) Disputed liability of Rs 3.56 lakhs (P.Y. 4.51 lakhs) not provided for in respect of Income Tax TDS (AY 2009-10,2010-11 and 2012-13)
- (iv) Disputed liability of Rs 1.09 lakhs not provided for in respect of Income Tax (AY 2014-15) the matters are pending before CIT (Appeal) - Varodara and amount paid there against.
- (v) Disputed liability of Rs 88.09 lakhs not provided for in respect of Commercial tax (FY 2013-14 & 2014-15, 2015-16). The matters are pending before Commissioner -Appeal Commercial tax ,Indore. (P.Y. Rs. 108.72 Lakhs)
- (vi) Disputed liability of Rs 109.48 lakhs not provided for in respect of Commercial tax (FY2010-11, 2011-12 & 12-13). The matter is pending before Appelate Tribunal- Commercial tax ,Indore. (P.Y. Rs. 81.76 Lakhs)
- (vii) Disputed liability of Rs. 55.12 lakhs not provided for in respect of Property Tax demand (FY 2015-16, 2016-17 & 2017-18). Company has challenged the same before Mayor-In-Council Indore Municipal Corporation, Indore. (P.Y. Rs. 55.12 lakhs).
- (viii) Arrears of Cummulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 600.26 lakhs (P.Y. Rs.479.70 lakhs).
- (ix) In respect of the leasehold land of Indore hotel, Company has received the order on 20th Dec. 2017 for cancellation of lease passed by Indore

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

Development Authority. Company has challenged said order before single bench of Indore High Court and the single bench has decided the matter against the company. Being aggrieved by the said order of single bench of High Court, Company has challenged said order before the Division Bench of Indore High Court. Last date of hearing was 13th March 2020 and thereafter dates not fixed in view of the ongoing pandemic Covid19. Indore Development Authority has also filed an application before the Competent Authority under The Public Premises (Eviction) Act for eviction of the Company from said premises. High Court has granted stay on the passing of order under the said eviction proceedings. Last date of hearing in eviction matter was 26th February 2020 and thereafter dates not fixed in view of the ongoing pandemic Covid19.

- (x) Joint District Registrar of Stamps, Pune has passed order against the company and demanded payment of stamp duty of 30 lakhs and fine of 2.40 lakhs by alleging that company has paid short stamp duty under the Maharashtra Stamp Act, 1958 for declaration of equitable mortgage under the said Act. Company has challenged said order before Inspector General of Registration, Chief Controlling Revenue Authority, Pune. Hearing is awaited in said matter. (xi) Disputed liability of Rs. 1.29 lakhs not provided for in respect of cases filed in labour court. (P.Y. Rs. 1.29 lakhs)
- (xii) Disputed liability of Rs. 16.10 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Indore. (P.Y. 16.10 lakhs)
- (xiii) Disputed liability of Rs. 50.00 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Bhopal. (P.Y. Nil)

**II Commitments**

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil lacs)

**Other Notes**

Company had filed an application before NCLT, Chennai for approval of composite scheme of amalgamation and demerger. The scheme involved amalgamation of Ahilya Hotels Limited (holding 14.01% shares in the company) with the Company. Further, it involved demerger of Pune & Vadodara hotel into a new company viz. Sayaji Hotels (Pune) Limited (SHPL). The scheme further involved demerger of its wholly owned subsidiary Sayaji Housekeeping Services Limited from the Company and amalgamation into a new company viz. Sayaji Hotels Management Limited (SHML). In the Board meeting dated 14.11.2019 company has decided to withdraw the scheme and hence on 11th December 2019 Company has applied to NCLT, Chennai for withdrawal of the scheme.

**II Commitments**

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil lacs)

**48 Disclosure as per Ind AS-105, Non Current Assets held for sale and Discontinued Operations**

"In the Board meeting dated 14.02.2019, the directors of Sayaji Hotels Limited decided to sell investment in Aries Hotels and the sale was expected to be completed before the end of July 2019.

Investment classified as held for sale during last year has been measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of Rs 52.18 lakhs as impairment loss in the statement of profit and loss, the transaction has been completed & loss has been booked."

**49 Disclosure as per Ind AS-108, Operating Segment**

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segment' (Ind AS-108) notified by the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

**Information about major customers**

No single customer contributes more than 10% or more of the Company's total revenue for the years ended March 31, 2020 and March 31, 2019.

**Note 50 : Earning in Foreign Currency :**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Earning in Foreign Currency</b>		
- Sale of Rooms of Food Beverages	1,328.71	1,166.75
<b>CIF Value of Imports &amp; Expenditure (on accrual basis)</b>		
- Import Value of Capital Goods	-	-
- Import Value of Non-Capital Goods	11.19	45.30



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 51 : Disclosure as per Ind AS-107, Financial Instruments**

**A) Financial Risk Management**

The Company's principal financial liabilities comprise Borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade & other receivables, loan given, cash & cash Equivalent, Investment, deposits and derivative that derive directly from its operations.

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board.

**Company is exposed to following risk from the use of its financial instrument :**

- Credit Risk
- Liquidity Risk
- Market Risk

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

**Trade Receivable**

"Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 45 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low. The requirement of impairment is analysed as each reporting date."

**Other Financial Instruments and Cash & Cash Equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31st, 2020 & March 31st, 2019 is the carrying amount as disclosed in Note except for financial guarantees. The Company's maximum exposure for financial guarantee is given in Note 47.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**(i) Carrying amount of maximum credit risk as on reporting date**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)</b>		
Non-current Investment	0.21	0.21
Non-current Loans	938.68	757.97
Other Non-Current Financial Assets	120.38	100.53
Cash & Cash Equivalent	558.83	531.28
Bank balances other than cash and cash equivalents	14.04	17.59
Current Loans	992.84	628.40
Other Current Financial Assets	355.50	313.21
<b>Total</b>	<b>2,980.48</b>	<b>2,349.19</b>
<b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)</b>		
Investment in Associates	266.76	8,340.43
Trade Receivables	579.23	1,035.55
<b>Total</b>	<b>845.99</b>	<b>9,375.98</b>

**(ii) Ageing of trade receivables**

The Ageing of trade receivables is as below :

(Rs. In Lakhs)

Ageing	Not Due	0-180 days past due	181-365 days past due	1-2 years past due	2-5 years past due	Total
Gross Carrying amount as on 31.03.2020	44.47	456.49	31.59	31.72	29.97	594.24
Impairment loss recognised on above	-	-	-	1.07	13.94	15.01
Gross Carrying amount as on 31.03.2019	493.66	459.15	64.6	16.84	38.27	1072.52
Impairment loss recognised on above	-	-	-	-	36.97	36.97

**(iii) Provision for Expected Credit or Loss**

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses.**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

**(iv) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(Rs. In Lakhs)

Particulars	Trade Receivables	Advances	Loans and advances	Total
<b>Balance as at March 31, 2019</b>	<b>37.18</b>	-	<b>1.72</b>	<b>38.90</b>
Impairment loss recognised	39.58	-	-	39.58
Amounts written off	41.62	-	1.72	43.34
<b>Balance as at March 31, 2020</b>	<b>35.14</b>	-	-	<b>35.14</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

(Rs. In Lakhs)

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2020</b>						
Term Loans*	-	1,474.40	1,894.12	3,577.86	155.22	7,101.60
Other Payables						-
Trade Payables	1,408.45	-	-	-	-	1,408.45
Cash credit	32.56	-	-	-	-	32.56
Other Pyables	-	837.43	-	2,000.00	1,405.53	4,242.96
Finance Lease Payable	-	100.93	117.45	487.80	4,776.62	5,482.80
Other Financial Liabilities#	-	703.56	602.41	944.26	5,359.23	7,609.46
<b>Total</b>	<b>1,441.01</b>	<b>3,116.32</b>	<b>2,613.98</b>	<b>7,009.92</b>	<b>11,696.60</b>	<b>25,877.83</b>

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2019</b>						
Term Loans*	-	1,990.58	1,828.42	3,526.70	635.85	7,981.55
Other Payables						-
Trade Payables	1,293.46	-	-	-	-	1,293.46
Cash credit	563.13	-	-	-	-	563.13
Other Pyables	-	1,848.29	-	2,000.00	2,013.60	5,861.89
Finance Lease Payable	-	1.95	1.95	5.86	10.74	20.50
Other Financial Liabilities#	-	98.00	-	-	-	98.00
<b>Total</b>	<b>1,856.59</b>	<b>3,938.82</b>	<b>1,830.37</b>	<b>5,532.56</b>	<b>2,660.19</b>	<b>15,818.53</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

# Current maturities of long-term borrowings is included in interest bearing borrowing part in above note.

Overdraft or other on demand loan facility, if any available with the Company is disclosed, to the extent undrawn in note no. 41.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The company uses forward contracts to hedge its exposure from foreign currency fluctuations.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

The currency profile of financial assets and financial liabilities are as below:

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
<b>Financial Liabilities</b>		
Borrowings	795.84	1,102.12
Derivative Liability	4.42	46.59

**Foreign Currency Rate Sensitivity Analysis**

Particulars	Impact on profit after tax for the year ended	
	31st March 2020	31st March 2019
<b>Decrease in rate by 1%</b>		
Increase in profit	8.00	11.49
<b>Increase in rate by 1%</b>		
Decrease in profit	8.00	11.49

**Interest Risk**

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
<b>Financial Assets</b>		
<b>Fixed Rate</b>		
Loans	-	-
Security Deposit	938.68	757.97
Bank Deposit	134.42	118.12
<b>Total</b>	<b>1,073.10</b>	<b>876.09</b>
<b>Financial Liabilities</b>		
<b>Fixed Rate</b>		
Working capital loans	32.56	563.13
Unsecured Loans	2,134.86	3,861.88
<b>Sub-Total (i)</b>	<b>2,167.42</b>	<b>4,425.01</b>
<b>Variable Rate Instruments</b>		
Term Loans	7,209.70	7,981.55
<b>Sub-Total (ii)</b>	<b>7,209.70</b>	<b>7,981.55</b>
<b>Total (i) + (ii)</b>	<b>9,377.12</b>	<b>12,406.56</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Interest rate sensitivity**

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

Particulars	Effect of Profit or Loss	
	50 bp increase	50 bp decrease
<b>31st March 2020</b>		
Financial Liabilities	(3.55)	3.55
	<b>(3.55)</b>	<b>3.55</b>
<b>31st March 2019</b>		
Financial Liabilities	(3.99)	3.99
	<b>(3.99)</b>	<b>3.99</b>

**Note 52 : Capital Risk Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents. (Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Gross Debt	9,269.02	12,406.56
Less : Cash and cash equivalents	558.83	531.28
<b>Net Debt (A)</b>	<b>8,710.19</b>	<b>11,875.28</b>
Total Equity (B)	7,294.09	14,344.12
<b>Gearing Ratio (A/B)</b>	<b>1.19</b>	<b>0.83</b>

(Rs. In Lakhs)

Particulars	As At March 31, 2020		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.21	-	-
Loans	-	-	1,931.52
Trade Receivables	-	-	579.23
Cash and Cash Equivalents	-	-	558.83
Other Bank Balance	-	-	14.04
Other financial assets	-	-	475.88
<b>Total Financial Assets</b>	<b>0.21</b>	<b>-</b>	<b>3,559.50</b>
Financial Liability:			
Borrowings	-	-	7,854.18
Derivative Liability	4.42	-	-
Trade Payable	-	-	1,406.88
Other Financial Liabilities	-	-	16,616.77
<b>Total Financial Liability</b>	<b>4.42</b>	<b>-</b>	<b>25,877.83</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. In Lakhs)

Particulars	As At 31st March, 2019		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.21	-	-
Loans	-	-	1,401.94
Trade Receivables	-	-	1,035.55
Cash and Cash Equivalents	-	-	531.28
Other Bank Balance	-	-	17.59
Other financial assets	-	-	413.77
<b>Total Financial Assets</b>	<b>0.21</b>	<b>-</b>	<b>3,400.13</b>
<b>Financial Liability:</b>			
Borrowings	-	-	10,415.98
Derivative Liability	46.59	-	-
Trade Payable	-	-	1,293.46
Other Financial Liabilities	-	-	4,171.67
<b>Total Financial Liability</b>	<b>46.59</b>	<b>-</b>	<b>15,881.11</b>

**Note 53 : Disclosure as per Ind AS-113, Fair Value Measurement**

**Fair Value Hierarchy**

"This section explains the judgements and estimates made in determining the fair values of the financial instruments that are : (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:"

**As at 31st March 2020**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.21	0.21
-Non Current Asset held for sale(Net of Liabilities)	-	-	-	-
Financial Liabilities				
Derivatives	-	4.42	-	4.42
<b>Total</b>	<b>-</b>	<b>4.42</b>	<b>0.21</b>	<b>4.63</b>

**As at 31st March 2019**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.21	0.21
<b>Financial Liabilities</b>				
Derivatives	-	46.59	-	46.59
<b>Total</b>	<b>-</b>	<b>46.59</b>	<b>0.21</b>	<b>46.80</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**(A) Specific valuation technique is used to determine the fair value of the financial instruments which include:**

- i) For Investments in Equity Investments- Quoted Market prices are used and for unquoted Equity Instruments best possible inputs are taken to identify the fair value.
- ii) For financial liabilities (vendor liabilities, domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.
- iii) For financial assets (employee loans) : appropriate market rate of the entity as of each balance sheet date used.

**(B) The financial instruments are categorized into different levels based on the inputs used to arrive at fair value measurements as described below:**

<b>Level 1</b>	Includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at thereporting period. The mutual funds are valued using the closing NAV.
<b>Level 2</b>	includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
<b>Level 3</b>	If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

**(C) Inter level transfers:**

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

**(D) Fair value of financial assets and liabilities measured at amortised cost**

(Rs. In Lakhs)

Particulars	As at 31 March 2020		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	579.23	579.23
Cash and Cash Equivalents	3	558.83	558.83
Bank balances other than cash and cash equivalents	3	14.04	14.04
Loan	3	992.84	992.84
Security deposit	3	938.68	938.68
Other Financial Assets	3	475.88	475.88
<b>Financial Liabilities</b>			
Borrowings	3	7,854.18	7,854.18
Trade Payables	3	1,406.88	1,406.88
Other Financial Liabilities	3	16,616.77	16,616.77

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. In Lakhs)

Particulars	As at 31 March 2019		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	1,035.55	1,035.55
Cash and Cash Equivalents	3	531.28	531.28
Bank balances other than cash and cash equivalents	3	17.59	17.59
Loan	3	1,401.94	1,401.94
Security deposit	3	757.97	757.97
Other Financial Assets	3	413.77	413.77
<b>Financial Liabilities</b>			
Borrowings	3	10,415.98	10,415.98
Trade Payables	3	1,293.46	1,293.46
Other Financial Liabilities	3	4,171.67	4,171.67

**Note 54 : Ind AS 112: Disclosure of Interest In other Entities**

**(a) Subsidiaries**

The group's subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Principal Place of Business	Ownership Interest Held by the group		Ownership Interest Held by non- controlling Interest	
		31-03-20	31-03-19	31-03-20	31-03-19
Malwa Hospitality Private Limited	India	51.67%	51.67%	48.33%	48.33%
Sayaji Housekeeping Services Limited *	India	100%	100%	0.00%	0.00%
Aries Hotels Private Limited	India	0.00%	52.37%	100.00%	47.63%
Sayaji Hotels(Vadodara) Limited	India	100.00%	-	0.00%	0.00%
Sayaji Hotels Management limited	India	100.00%	-	0.00%	0.00%
Sayaji Hotels(Pune) Limited	India	100.00%	-	0.00%	0.00%

**# Preference share capital**

Sayaji Housekeeping Services Limited	India	100%	100%	-	-
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**# Preference share capital**

\* The share Capital of Sayaji Housekeeping Services consists of Preference shares of Rs. 1 lakh having shares 10,000

**(b) Interest In Associate- Accounted For using Equity Method**

Name of Entity	Principal Place of Business	Ownership Interest Held by the group		Ownership Interest Held by non- controlling Interest	
		31-03-20	31-03-19	31-03-20	31-03-19
Barbeque-Nation Hospitality Ltd.	India	45.10%	45.10%	54.90%	54.90%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Summarised Financial Information**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Balance sheet Items</b>		
Current assets	6,448.40	6,232.90
Non-Current assets	89,115.50	75,675.60
Current Liabilities	27,454.30	20,456.30
Non-Current Liabilities	66,994.90	48,289.40
Cash and Cash Equivalents	1,469.60	1,198.10
Current Financial Liabilities (Excluding trade and other payables and provisions)	10,762.90	389.29
Non-Current Financial Liabilities(Excluding trade and other payables and provisions)	66,141.70	47,148.70
<b>Profit and Loss Items</b>		
	As at 31st March, 2020	As at 31st March, 2019
Revenue	85,079.40	74,254.10
Profit or Loss from continuing operations	(3,292.80)	(2,120.20)
Profit or Loss from discontinued operations	-	(1,718.40)
Other Comprehensive Income	(264.90)	(233.30)
Total comprehensive Income	(3,557.70)	(4,071.90)
Depreciation and amortisation	13,396.30	8,953.60
Interest Income	229.10	226.70
Interest Expense	6,812.80	4,973.80
Income Tax expense or income	779.20	1,438.00
Dividend Income	126.21	126.21

**Schedule III to the Companies Act, 2013**

Particular	Net Assets, i.e., Total Assets minus total Liabilities as at		Share in Profit or Loss for the Year Ended		Share in Other Comprehensive Income for the Year Ended	
	As a % of consolidated Net assets	Amount (Rs in lakhs)	As a % of consolidated profit or loss	Amount (Rs in lakhs)	As a % of consolidated other comprehensive income	Amount (Rs in lakhs)
Malwa Hospitality Private Limited						
31-03-20	3.15%	230.06	7.33%	(140.40)	23.93%	(36.24)
31-03-19	2.84%	406.70	5.78%	(76.81)	-2.24%	1.83
Sayaji Housekeeping Services Limited						
31-03-20	16.25%	1,185.02	-8.55%	163.72	0.00%	-
31-03-19	7.12%	1,021.31	-11.51%	152.97	0.00%	-
Aries Hotels Private Limited						
31-03-20	0.00%	-	0.00%	-	0.00%	-
31-03-19	4.12%	591.60	-7.60%	100.95	0.00%	-
Barbeque-Nation Hospitality Ltd.						
31-03-20	3.66%	266.81	76.28%	(1,460.51)	78.86%	(119.44)
31-03-19	59.60%	8,549.70	92.81%	(1,232.90)	126.76%	(103.55)
Sayaji Hotels(Vadodara) Limited						
31-03-20	0.03%	2.09	0.14%	(2.72)	0.00%	-
31-03-19	0.03%	4.86	0.01%	(0.14)	0.00%	-
Sayaji Hotels Management Limited						
31-03-20	-2.30%	(167.73)	8.76%	(167.81)	0.00%	-
31-03-19	0.00%	0.08	0.37%	(4.92)	0.00%	-
Sayaji Hotels(Pune) Limited						
31-03-20	0.05%	3.50	0.05%	(1.05)	0.00%	-
31-03-19	0.03%	4.55	0.03%	(0.45)	0.00%	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 55 : Disclosure as per Ind AS-115, Revenue from Contract with Customers**

(Rs. In Lakhs)

(i)	Revenue from contract with customers	For the period 2019-2020	For the period 2018-2019
	Rooms	9,665.26	9,239.81
	Food and Beverages	12,353.86	13,151.09
	Other Services	1,987.34	2,050.19

**(ii) Disaggregation of revenue :-**

Revenue is also disaggregated on basis of timing of revenue recognition i.e. At a point in time & over the period of time.

(Rs. In Lakhs)

Particular	At a point in time		Over the period of time.	
	For the period 2019-2020	For the period 2018-2019	For the period 2019-2020	For the period 2018-2019
Rooms	9,665.26	9,239.81	-	-
Food and Beverages	12,353.86	13,151.09	-	-
Other Services	1,987.34	2,050.19	-	-

**Note 56 Impact of COVID-19 :**

Negative working capital:

As at the year end, the Company's current liabilities have exceeded its current assets by Rs. 548.22 lakhs primarily on account of current maturities of long term borrowings aggregating to Rs. 1474.40 lakhs & Lease Liability of Rs. 601.99 Lakhs. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

The Company faces significant uncertainties due to COVID-19 which have severely impacted the operations of the Company adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections.

The Company has availed moratorium facilities granted by Reserve Bank of India. The company has also approached its lenders for grant of additional period of moratorium since the revenues till the date of this report are severely impacted. The promoters has reaffirmed their commitment to arrange funds for the operational requirements of the company to avoid any disruption to the operations. Also refer note 6 under point no. D (Major Estimates in Preparing Financial Statements in the Significant Accounting Policies-1) Estimation uncertainty relating to the global health pandemic on COVID-19.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2020.

57 The Company has reclassified previous year figures to conform to this year classification.

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560

Indore, 13<sup>th</sup> November 2020

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary



**Sayaji Vadodara**



**Sayaji Raipur**



**Sayaji Pune**



**Sayaji Kolhapur**



**Sayaji Bhopal**



**Sayaji Indore**



**Sayaji Rajkot**



**Effotel Vadodara**



**Effotel Indore**



**Effotel Gurugram**



**Enrise Rau**



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