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## ASIAN HOTELS (NORTH) LIMITED

AHL/CS/1013/2021

13<sup>th</sup> February, 2021

### Corporate Services Department

BSE Ltd.

Phiroz Jeejeebhoy Towers,

Dalal Street, Mumbai- 400001

Scrip Code / Scrip ID: 500023/ASIANHOTNR

### Listing Department

National Stock Exchange of India Ltd.

Exchange Plaza, 5<sup>th</sup> Floor,

Plot No. C/1, G Block,

Bandra – Kurla Complex

Bandra (E), Mumbai – 400 051

Scrip Code / Symbol: 233/ASIANHOTNR

Dear Sirs,

This is to inform you that the Board of Directors in its meeting held today 13<sup>th</sup> February, 2021 which commenced at 11.25 a.m. and concluded at 11.44 a.m., approved the Un-audited Standalone & Consolidated Financial Results of the Company for the third quarter ended 31<sup>st</sup> December, 2020. A copy of the said results is enclosed pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Limited Review Reports issued by the Statutory Auditors on the above Stand-alone and Consolidated results are also enclosed.

Thanking you,

Yours faithfully,

For **ASIAN HOTELS (NORTH) LIMITED**

  
**DINESH KUMAR JAIN**  
**VICE PRESIDENT (CORPORATE AFFAIRS)**  
**& COMPANY SECRETARY**

Encl: as above

OWNERS OF :



**HYATT**  
**REGENCY**

DELHI

**ASIAN HOTELS (NORTH) LIMITED**

(Owners of Hotel Hyatt Regency Delhi)

Registered Office: Bhikaiji Cama Place, M. G. Marg, New Delhi -110066

CIN:L55101DL1980PLC011037

Tel. 011-66771225/1226, Fax: 011 26791033, Email: Investorrelations@ahlnorth.com;

Website: www.asianhotelsnorth.com

**STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020**

(In Lakhs except for EPS)

Sr. No.	Particulars	Standalone						Consolidated						
		Quarter Ended			Nine Months Ended			Quarter Ended			Nine Months Ended			
		31-Dec-2020 (Unaudited)	30-Sep-2020 (Unaudited)	31-Dec-2019 (Unaudited)	31-Dec-2020 (Unaudited)	31-Dec-2019 (Unaudited)	31-March-2020 (Audited)	31-Dec-2020 (Unaudited)	30-Sep-2020 (Unaudited)	31-Dec-2019 (Unaudited)	31-Dec-2020 (Unaudited)	31-Dec-2019 (Unaudited)	31-March-2020 (Audited)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
	(Refer Notes Below)													
1	Income from Operations													
	a. Revenue from Operations	2,160.77	1,101.36	7,517.47	4,068.86	19,715.78	25,239.39	2,160.77	1,101.36	7,517.47	4,068.86	19,715.78	25,239.39	
	b. Other Income	89.86	136.48	189.09	251.83	1,059.16	1,455.99	132.30	136.48	137.86	294.27	838.98	1,468.69	
	<b>Total Income from Operations</b>	<b>2,250.63</b>	<b>1,237.84</b>	<b>7,706.56</b>	<b>4,320.69</b>	<b>20,774.94</b>	<b>26,695.38</b>	<b>2,293.07</b>	<b>1,237.84</b>	<b>7,655.33</b>	<b>4,363.13</b>	<b>20,554.76</b>	<b>26,708.08</b>	
2	Expenses													
	a. Cost of Materials Consumed	342.98	137.48	1,266.38	587.68	2,982.98	3,672.19	342.98	137.48	1,266.38	587.68	2,982.98	3,672.19	
	b. Employee benefits expenses	825.96	803.21	1,740.74	2,585.96	5,177.78	6,812.36	827.88	804.90	1,742.19	2,590.86	5,182.62	6,918.19	
	c. Finance Cost													
	i) Interest Expenses	904.43	3,010.32	2,692.08	6,346.67	8,065.08	11,174.74	904.60	3,011.06	2,726.24	6,347.68	8,169.87	11,306.81	
	ii) Loss / (gain) on foreign currency transactions and translations	(138.51)	(513.03)	151.19	(609.68)	649.17	1,371.76	(138.51)	(513.03)	151.19	(609.68)	649.17	1,371.76	
	d. Depreciation and amortization expenses	418.74	426.47	449.25	1,270.96	1,358.68	1,793.24	418.74	426.47	449.25	1,270.96	1,358.68	1,793.24	
	e. Other expenses	1,214.60	1,106.83	2,482.69	3,108.24	6,834.54	9,166.24	1,168.15	957.18	2,486.78	2,924.27	6,845.84	9,201.74	
	<b>Total Expenses</b>	<b>3,588.20</b>	<b>4,971.28</b>	<b>8,782.23</b>	<b>13,289.83</b>	<b>25,066.23</b>	<b>34,090.53</b>	<b>3,523.85</b>	<b>4,824.06</b>	<b>8,822.03</b>	<b>13,111.78</b>	<b>25,189.16</b>	<b>34,283.73</b>	
3	Profit/(Loss) from ordinary activities before exceptional items and Tax (1-2)	(1,317.57)	(3,733.44)	(1,075.67)	(8,969.14)	(4,293.29)	(7,395.15)	(1,230.78)	(3,586.22)	(1,166.70)	(8,748.65)	(4,634.40)	(7,555.65)	
4	Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	
5	Profit from ordinary activities before tax (3-4)	(1,317.57)	(3,733.44)	(1,075.67)	(8,969.14)	(4,293.29)	(7,395.15)	(1,230.78)	(3,586.22)	(1,166.70)	(8,748.65)	(4,634.40)	(7,555.65)	
6	Tax expense													
	a. Provision for taxation (net)	-	-	-	-	-	-	-	-	-	-	-	-	
	b. Earlier years tax provisions (written back)	-	0.70	-	0.70	-	-	-	0.70	-	0.70	-	-	
	c. Provision for Deferred Tax Liability / (Asset)	-	-	(271.63)	(1,017.50)	(1,186.10)	(1,082.40)	-	-	(271.63)	(1,017.50)	(1,186.10)	(1,082.40)	
7	<b>Net Profit/(Loss) for the period (5-6)</b>	<b>(1,317.57)</b>	<b>(3,734.14)</b>	<b>(804.04)</b>	<b>(7,952.34)</b>	<b>(3,107.19)</b>	<b>(6,313.15)</b>	<b>(1,230.78)</b>	<b>(3,586.92)</b>	<b>(895.07)</b>	<b>(7,731.85)</b>	<b>(3,448.30)</b>	<b>(6,473.65)</b>	
	Net profit / (loss) attributable to:													
	a. Owners	-	-	-	-	-	-	(1,123.32)	(3,273.74)	(887.37)	(7,056.78)	(3,424.87)	(5,998.44)	
	b. Non-controlling interest	-	-	-	-	-	-	(107.46)	(313.18)	(7.70)	(675.07)	(23.43)	(565.21)	
8	Other comprehensive Income / (expenses)						11.25						11.25	
	Other comprehensive income attributable to:													
	a. Owners	-	-	-	-	-	10.27	-	-	-	-	-	10.27	
	b. Non-controlling interest	-	-	-	-	-	0.98	-	-	-	-	-	0.98	
9	<b>Total other comprehensive income for the period</b>	<b>(1,317.57)</b>	<b>(3,734.14)</b>	<b>(804.04)</b>	<b>(7,952.34)</b>	<b>(3,107.19)</b>	<b>(6,301.90)</b>	<b>(1,230.78)</b>	<b>(3,586.92)</b>	<b>(895.07)</b>	<b>(7,731.85)</b>	<b>(3,448.30)</b>	<b>(6,462.40)</b>	
	Total other comprehensive income attributable to:													
	a. Owners	-	-	-	-	-	-	(1,123.32)	(3,273.74)	(887.37)	(7,056.78)	(3,424.87)	(5,998.17)	
	b. Non-controlling interest	-	-	-	-	-	-	(107.46)	(313.18)	(7.70)	(675.07)	(23.43)	(564.23)	
10	Paid-up equity share capital (Face Value - Rs.10/- each)	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	
11	Earnings Per Share (of Rs. 10/- each) (not annualized):													
	- Basic (in Rs.)	(6.77)	(19.20)	(4.13)	(40.88)	(15.97)	(32.45)	(6.33)	(18.44)	(4.60)	(39.75)	(17.73)	(33.28)	
	- Diluted (in Rs.)	(6.77)	(19.20)	(4.13)	(40.88)	(15.97)	(32.45)	(6.33)	(18.44)	(4.60)	(39.75)	(17.73)	(33.28)	

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**NOTES:**

- 1 The above results for the quarter and nine months ended December 31, 2020 were reviewed by the Audit Committee and then approved by the Board of Directors at their respective meetings held on February 13, 2021.
- 2 The above results have been prepared in accordance with the Companies [Indian Accounting Standards] Rules, 2015 [Ind AS] prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The format for above results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III [Division II] to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- 3 The Company operates only in one reportable segment, i.e. Hospitality / Hotel Business. Other business segment i.e. power generation operations though governed by different set of risks and returns, respective revenue and net profit related to that segment were not material for disclosure purposes as separate reportable segment, hence no separate disclosure is made in respect thereof.
- 4 The COVID 19 outbreak worldwide and subsequent nationwide lockdown coupled with domestic as well as international travel restrictions announced by the Central/State Governments, have adversely impacted the business operations of the nine month ended 31st December 2020 (and continuing) in terms of room occupancy as well as food, beverages and other income of Hotel "Hyatt Regency Delhi" owned by the Company. The Company has undertaken necessary cost saving measures including rationalization of human resources, initiatives to uplift revenue by resorting to home delivery of food, and to conserve cash.  
  
The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, investments, trade receivables, inventories and other current assets appearing in the financial statements of the Company. Based on the current indicators of future economic conditions, the Company expects to recover the carrying value of these assets. The impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates.
- 5 The consolidated figures of the quarter ended Dec, 31, 2020 are balancing figures between unaudited figures in respect of the nine months ended up to Dec, 2020 and the published year to date figures up to the 2nd quarter of the current financial year.
- 6 **Note in relation to Standalone Results:**  
Non-provision of cumulative interest liability relating to Inter Corporate Deposits amounting to Rs. 108.03 lakhs. The same has resulted in understatement of interest expense and also the Current - Other Financial Liabilities to the extent of Rs. 108.03 lakhs each. The Company is in the process of obtaining waivers for interest payments.
- 7 **Note in relation to Consolidated Results:**  
Non-provision of cumulative interest liability relating to Inter Corporate Deposits and other financial commitments amounting to Rs. 2868.22 Lakhs by one of the subsidiaries (M/s Leading Hotels Limited), has resulted in understatement of CWIP to the extent of Rs. 2868.22 Lakhs. The Company is in the process of obtaining waivers for interest payments.
- 8 **Note in relation to Consolidated Results:**  
Due to the ongoing litigation on tenancy related and other issues and consequent court orders, there is a substantial delay in development of villa, hotel complex and a 18 hole, 72 par championship golf course in its subsidiary "Leading Hotels Limited". This has resulted in shortage of funds in the subsidiary whereby the Company has defaulted in interest repayment obligations amounting to Rs. 2.58 Crore for January 2020 & February 2020 with respect to Bank Loans. The financial statements indicate net current liabilities of the Subsidiary at Rs. 157.54 Crore as on 31st December, 2020. These events put together indicate a material uncertainty regarding going concern of the said subsidiary "Leading Hotels Limited". However, the Company is in the process of mobilising the required funds which will enable the Company to revive the development of the Project and take care of the ongoing financial obligations. The ability of the Leading Hotels Limited to continue as a going concern is largely dependent on successful outcome of the aforesaid fundraising plans as well as conclusion of ongoing litigations in its favour. The management is confident of successfully completing the fund-raising plans as well as it anticipates outcome of the ongoing litigation in the favour of the said subsidiary Company. Accordingly, the financial statements of the subsidiary company "Leading Hotels Limited" have been prepared on the basis that the Company will continue as a going concern and no adjustments have been made to the carrying value or classification of the assets and liabilities.
- 9 The Company has, on February 11th, 2020 received a demand Notice dated 05.02.2020 from the Asst. Assessor & Collector (HQ), South Delhi Municipal Corporation, New Delhi (SDMC), on account of Property Tax (including interest and penalty) for the years 2016-17 to 2019-20 assessed in terms of assessment order dated 27.1.2020. The matter of Property Tax in the case of Company and many other similarly situated entities is sub-judice before the Hon'ble High Court of Delhi. The Company has been depositing Property Tax as per order dated 23.5.2014 of the Hon'ble High Court. The Company has been advised that the said demand notice is contrary to the prior orders passed by the Hon'ble High Court, and therefore Company is in the process of taking appropriate legal recourse in the said matter.
- 10 Loss / (Gain) on foreign currency transactions and translations' (if any) under 'Finance costs' represents gain on foreign currency borrowings to the extent that they are regarded as an adjustment to finance cost as per Para 6A(ii) of Ind - AS : 23 'Borrowing Costs'.
- 11 Finance costs for quarter ending December 31, 2020 are lower compared to preceding quarter on account of restructuring proposal submitted by the Company under which the interest on term loans from banks for the period from March 2020 onwards will be calculated at 9% instead of the higher interest rate initially sanctioned / revised from time to time and converted into Term Loan by the banks. The date of invocation and Inter Creditor Agreement by the Consortium of Banks against the said proposal has been announced / signed on December 09, 2020 and December 23, 2020 respectively. Accordingly, interest accrual for quarter ending December 31, 2020 is accrued at a lower rate of 9% and hence reduced to that effect including the effect of reversal of higher interest accruals in preceding quarters (at sanctioned / revised rates vis-a-vis, interest rate of 9% considered under restructuring).
- 12 The Company has not given any corporate guarantee for the loans availed by its subsidiaries including Leading Hotels Limited as at December 31, 2020.
- 13 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

Place: New Delhi  
Date: 13.02.2021

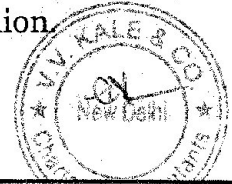
  
For Asian Hotels (North) Limited

Shiv Kumar Jatia  
Chairman & Managing Director

**Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors of  
Asian Hotels (North) Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Asian Hotels (North) Limited (the "Company") for the quarter and nine months ended on December 31, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



#### 4. Basis for Modified Review Report

*We draw attention to Note 6 of the standalone financial results wherein the Company has not provided for interest liability amounting to INR 108.03 lakhs relating to Inter Corporate Deposits. The same has resulted in understatement of interest expense and also the Current - Other Financial Liabilities to the extent of INR 108.03 lakhs each. Our conclusion is modified to the extent of non-provisioning of interest resulting into understatement of interest expense and Current - Other Financial Liabilities.*

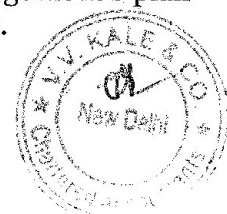
5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### 6. Emphasis of Matter

##### (i) Implications owing to COVID-19 Pandemic:

Refer Note 4 with reference to implications of Covid-19 pandemic. The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there appears to be significant disruptions in the business of the company going forward amidst the continuity of the Covid-19 pandemic and the industry in which the Company operates continues to see a sluggish outlook in most part of the year 2020-21.

The impact of coronavirus on the Company's business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries, among others. A definitive assessment of the impact is not possible in view of the high uncertain economic environment and the scenario is still evolving. The Company has evaluated its liquidity position and recoverability and carrying values of its assets and changes in financial risks such as credit risk, liquidity risk, currency risk and other price risk, and changes in objectives, policies and processes for managing those risks are expected. Evaluation of management's assessment around going concern revolves around at a minimum involve, evaluation of reliability of cash flow forecast prepared by the management considering change in economic environment, management's plan for future actions and assessing its feasibility in the circumstances.



Considering the projections made by the Company management, it appears that the COVID-19 scenario has pegged back the cash flows of the company significantly because of the lockdown situation in the hospitality sector in most period of the Q1 – Q3 of FY 2020-21 and further the grim situation of cash flows from the projections made by the management for FY 2020-21 as also the ability to access cash in other ways such as from government payments, factoring receivables or supplier financing and reductions in the employees' emoluments across the board are the negative indicators hinting towards a dull year for the Company.

In view of Company's assessment check on the operations of the company, there appears to be a huge implications on the financials of the company in the short term scenario say for the year 2020-21.

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

Place: New Delhi  
Date: February 13, 2021



For, V.V.Kale and Company  
Chartered Accountants  
FRN: 000897N

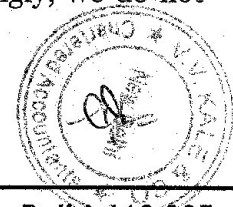
A handwritten signature in black ink, appearing to read "Vijay V. Kale".

Vijay V. Kale  
Partner  
Membership No: 080821  
UDIN: 21080821AAAAHY3102

**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors of  
Asian Hotels (North) Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Asian Hotels (North) Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and nine months ended on December 31, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



#### 4. Basis for Modified Review Report

- a. *We draw attention to Note 7 of the consolidated financial results wherein one of the subsidiaries (M/s Leading Hotels Limited) has not provided for interest liability amounting to INR 2868.22 lakhs relating to Inter Corporate Deposits and other financial commitments. The same has resulted in understatement of CWIP and Current - Other Financial Liabilities to the extent of INR 2868.22 lakhs each. Our conclusion is modified to the extent of non-provisioning of interest resulting into understatement of CWIP and Current - Other Financial Liabilities.*
- b. *We also draw attention to note 6 of the standalone financial results wherein the Company has not provided for interest liability amounting to INR 108.03 lakhs relating to Inter Corporate Deposits. The same has resulted in understatement of interest expense and also the Current - Other Financial Liabilities to the extent of INR 108.03 lakhs each. Our conclusion is modified to the extent of non-provisioning of interest resulting into understatement of interest expense and Current - Other Financial Liabilities.*

#### 5. The Statement includes the financial results of following entities:

- a. Fineline Hospitality and Consultancy Pte Ltd., Mauritius – Wholly owned subsidiary
  - b. Lexon Hotel Ventures Limited, Mauritius – Subsidiary
  - c. Leading Hotels Limited - Subsidiary
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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## 7. Emphasis of Matter

### (i) Implications owing to COVID-19 Pandemic on Group:

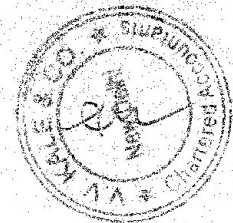
- A. Refer Note 4 with reference to implications of Covid-19 pandemic. The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there appears to be significant disruptions in the business of the group going forward amidst the continuity of the Covid-19 pandemic and the industry in which the group operates continues to see a sluggish outlook in most part of the year 2020-21.

The impact of coronavirus on the Group's business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries, among others. A definitive assessment of the impact is not possible in view of the high uncertain economic environment and the scenario is still evolving. The Group has evaluated its liquidity position and recoverability and carrying values of its assets and changes in financial risks such as credit risk, liquidity risk, currency risk and other price risk, and changes in objectives, policies and processes for managing those risks are expected. Evaluation of management's assessment around going concern revolves around at a minimum involve, evaluation of reliability of cash flow forecast prepared by the management considering change in economic environment, management's plan for future actions and assessing its feasibility in the circumstances.

Considering the projections made by the group management, it appears that the COVID-19 scenario has pegged back the cash flows of the group significantly because of the lockdown situation in the hospitality sector in most period of the Q1 & Q2 of FY 2020-21 and further the grim situation of cash flows from the projections made by the management for FY 2020-21 as also the ability to access cash in other ways such as from government payments, factoring receivables or supplier financing and reductions in the employees' emoluments across the board are the negative indicators hinting towards a dull year for the group.

In view of Group's assessment check on the operations of the group, there appears to be a huge implications on the financials of the group in the short term scenario say for the year 2020-21.

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



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8. **Material Uncertainty Regarding Going Concern of Leading Hotels Limited, Subsidiary Company:**

- i. We draw attention to Note 7 concerning to the financial statements of the subsidiary company, Leading Hotels Limited. On account of ongoing litigations at various regulatory forums which are sub judice at this point in time and has resulted in substantial delay in the development of villa, hotel complex and a 18 hole, 72 par championship golf course.

This has resulted in shortage of funds whereby the Company has defaulted in interest repayment obligations for Jan. 2020 & Feb. 2020 with respect to Bank Loans amounting to Rs. 2.56 Cr. Also, the financial statements indicate net current liabilities of the Company at Rs. 157.54 Cr. as on 31<sup>st</sup> December, 2020.

The current Covid-19 pandemic scenario has severely dented the future prospects of the Hospitality sector that casts significant doubts with respect to the company's ability to meet its existing financial obligations as well as the continuation of the project itself.

However, as informed to us by the management, the Company is in the process of mobilising the required funds and has received a non-binding offer from a potential investor on 20<sup>th</sup> July, 2020 (subject to fulfilment of certain conditions precedent). Further, the Company has also been able to get sanction of credit facility from a NBFC amounting to Rs. 75 Crores which will enable the Company to revive its development of the project and meet the remaining financial obligations.

The measures above are contingent upon approval of lenders and fulfilment of the condition precedents, which are not wholly under the control of the Company. The Company's ability to continue as a going concern largely is dependent on the successful outcome(s) of the above mentioned fund raising plans.

As stated in the note, the management is confident of obtaining required approvals from the lenders and fulfilment of the condition precedent. The management is also confident of infusing additional funds in the Company by way of credit line drawn from NBFC to meet Company's financial obligations and thereby continuing project development. Having regard to the aforesaid, the standalone financial statements presently have been prepared on the basis that the Company will continue as a going concern and hence no adjustments have been made to the classification of the assets and liabilities and its carrying values.

Our conclusion is not modified in respect of this matter.



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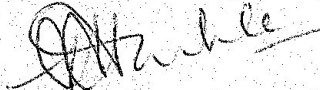
9. The consolidated financial result includes unaudited financial results of Fineline Hospitality and Consultancy Pte Ltd., Mauritius and Lexon Hotel Ventures Limited, Mauritius whose financial results reflects, total assets of INR 88,014.98 Lakhs as at December 31, 2020, total operating revenues of INR Nil for quarter and nine months ended December 31, 2020, total other income of INR 39.85 Lakhs for the quarter and nine months ended December 31, 2020, total net profit after tax of INR 38.29 lakhs for the quarter and INR 27.33 lakhs for the nine months ended December 31, 2020, total comprehensive income of INR 38.29 lakhs for the quarter and INR 27.33 lakhs for the nine months ended December 31, 2020, as considered in the financial results.

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the statement, in so far it relates to the amount and disclosures included in respect of these subsidiaries, is based on solely on such unaudited financial statements. Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the financial information certified by the management.

Place: New Delhi  
Date: February 13, 2021



For, V.V.Kale and Company  
Chartered Accountants  
FRN: 000897N

  
Vijay V. Kale  
Partner  
Membership No: 080821  
UDIN: 21080821AAAAHZ8723