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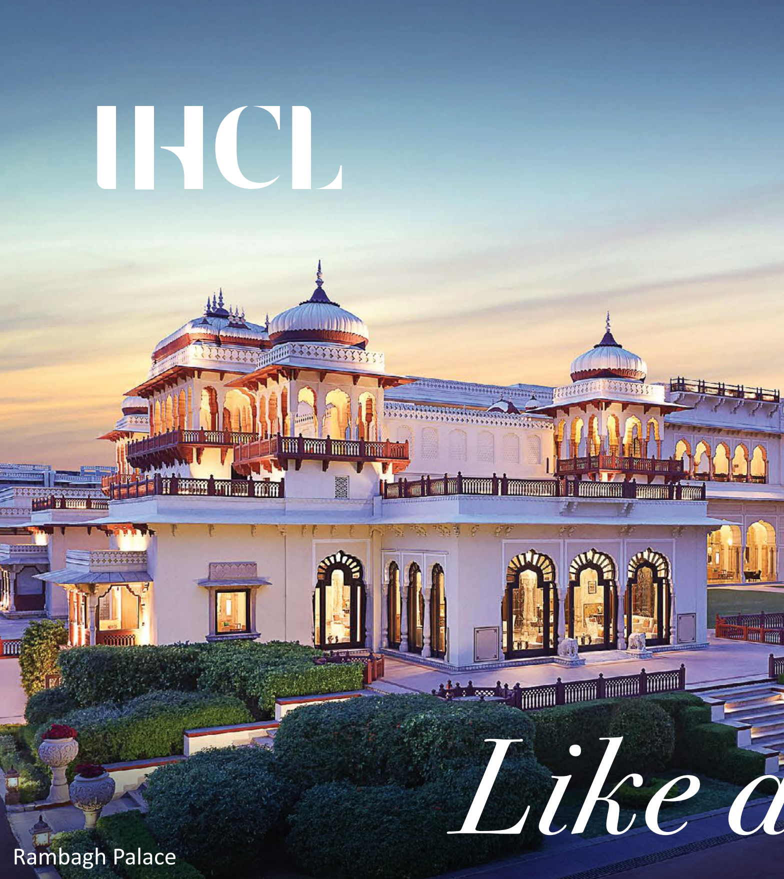
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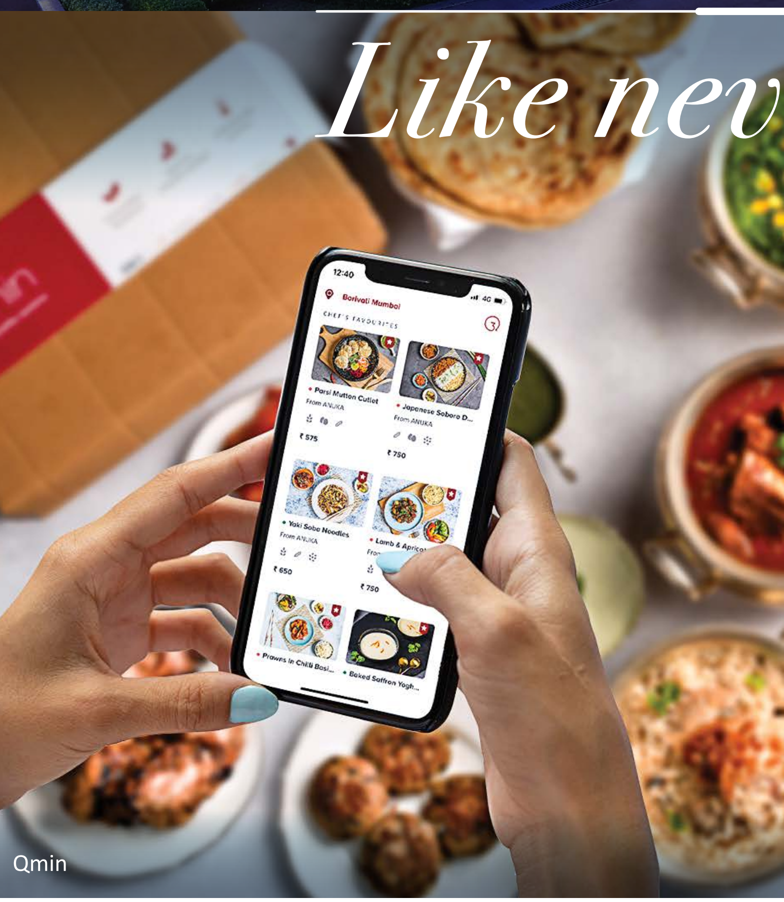
Like always.

Like never before.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THE INDIAN HOTELS COMPANY LIMITED
A TATA Enterprise

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Independent Auditors' Report

To the Members of Benares Hotels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Benares Hotels Limited** ("the Company"), which comprise the balance sheet as of March 31, 2021, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Description	Our Response
Impairment assessment of Property, Plant and Equipment (PPE) of one hotel unit.	In view of the continuing operating losses made by one hotel unit and due to significant management and auditor judgement involved in impairment testing, we identified this matter as a Key Audit Matter. At the end of each year, management reviews the carrying amount of the assets to determine if there is any indication of impairment loss. If any such indication exists, management assesses the recoverable amount of those assets. Management also carries out a valuation of the hotel building once in three years. The estimation of the recoverable amount of the assets at the unit involves management judgements and is dependent on certain assumptions and significant inputs including market capitalization rates and estimated revenue per available room, which are affected by expected future market or economic conditions of the hospitality industry.	Our audit procedures in relation to impairment testing of the unit were: • Understanding the management's and those charged with governance (TCWG)'s process for estimating the recoverable amount of the assets • Evaluating the reasonableness of the assumptions, judgements, projected cash flows and key inputs considered by the management by comparing those estimates with market data and company specific information available and also the impact of Covid-19 pandemic. • Evaluating the historical accuracy of the management's assessment by comparing the past estimates to the current year actual performance of the company. • Reading the valuation report and validating key assumptions used in the valuation and rationale for those assumptions.

Our tests did not reveal any material exceptions.

Independent Auditor’s Report (Contd.)

Emphasis of matter

We draw attention to:

Note 3(e) and Note 37(f) to the financial statements, regarding the management’s assessment of liquidity and going concern assumption, values of its financial and non-financial assets as at March 31, 2021 being considered as unimpaired and recoverable based on its internal and external sources of information and estimates, and its judgement on implications expected to arise from COVID-19 pandemic, wherein actual results could vary. The economic/social consequences of this event are impacting the very operation of the hotels and consumer demand.

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

Information Other than the Financial Statements and Auditors’ Report Thereon

The Company’s management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report and Management Discussion and Analysis the Financial Performance but does not include the financial statements and our auditors’ report thereon.

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

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

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

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

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Contd.)

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

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

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

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

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

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN: 21201402AAAAAW6174

Mumbai, April 26, 2021

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Benares Hotels Limited ("the Company") on the financial statements as of and for the year ended March 31, 2021.

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

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, discrepancies noticed were not material and have been dealt with in the books of account.

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

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

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

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

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

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

(vii)

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

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.

Annexure A (Contd.)

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs, Excise duty and Value added tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

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

*net of amounts paid

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings from banks. The Company does not have any loans or borrowings from the government and financial institutions and have not issued any debentures during the year.

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

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

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

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

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

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

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

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

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

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN: 21201402AAAAAW6174

Mumbai, April 26, 2021

Annexure B

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

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

We have audited the internal financial controls with reference to financial statements of **Benares Hotels Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

AUDITORS’ RESPONSIBILITY

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure B (Contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN: 21201402AAAAAW6174

Mumbai, April 26, 2021

Balance Sheet As at March 31, 2021

₹ lakhs

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,222.44	8,866.53
Right of Use Assets	6	124.14	127.16
Capital work-in-progress		10.52	4.02
Other Intangible assets	5	53.83	71.44
		8,410.93	**9,069.15**
Financial assets			
Investments		-	-
Other financial assets	7	35.55	23.96
Advance income tax (net)		59.29	187.22
Other non-current assets	8	70.55	108.60
		8,576.32	**9,388.93**
Current assets			
Inventories	9	82.31	105.36
Financial assets			
Trade receivables	10	78.22	432.87
Cash and cash equivalents	11	122.88	181.72
Bank balances other than cash and cash equivalents	12	45.07	51.20
Other financial assets	7	68.76	146.94
Other current assets	8	115.89	172.57
		513.13	**1,090.66**
Total		**9,089.45**	**10,479.59**
Equity and liabilities			
Equity			
Equity share capital	13	130.00	130.00
Other equity	14	7,093.46	7,701.28
Total equity		**7,223.46**	**7,831.28**
Non-current liabilities			
Financial libilities			
Lease Liabilities	15	356.54	349.26
Provisions	16	30.48	35.30
Deferred tax liabilities (net)	17	392.04	566.03
		779.06	**950.59**
Current Liabilities			
Financial liabilities			
Borrowings	18	550.00	550.00
Trade payables	19		
- Due to Micro and Small Enterprises		13.17	5.61
- Due to Others		163.80	559.71
Other financial liabilities	20	171.71	346.50
Other current liabilities	21	176.50	196.27
Provisions	16	11.75	39.63
		1,086.93	**1,697.72**
Total		**9,089.45**	**10,479.59**
Summary of significant accounting policies	3		
The accompanying notes form an integral part of the financial statements			

As per our Report of even date attached

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

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai, April 26, 2021

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vivek Sharma
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No: ACS34515

Harish Kumar
Chief Financial Officer
ICAI M.No: 534449

Varanasi, April 26, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ lakhs

	Note	March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	22	2,423.85	6,363.56
Other income	23	57.03	20.14
Total Income		**2,480.88**	**6,383.70**
EXPENSES			
Food and beverages consumed	24	275.25	620.06
Employee benefit expense and payment to contractors	25	799.42	1,123.72
Finance costs	26	99.70	107.64
Depreciation and amortisation expense		693.45	638.10
Other operating and general expenses	27	1,309.91	2,544.51
Total Expenses		**3,177.73**	**5,034.03**
Profit/ (Loss) before exceptional items and tax		(696.85)	1,349.67
Exceptional items		-	-
Profit/ (Loss) before tax		**(696.85)**	**1,349.67**
Tax expenses			
Current tax	28	-	312.15
Deferred tax	28	(173.99)	(23.68)
Total		**(173.99)**	**288.47**
Profit/ (Loss) after tax		(522.86)	1,061.20
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		12.54	(16.44)
Change in fair value of equity instruments designated irrevocably as FVTOCI		-	-
Less: income tax expense	28	-	(4.14)
Other comprehensive income for the year, net of tax		12.54	(12.30)
Total comprehensive Income for the year		**(510.32)**	**1,048.90**
Earnings per share:	35		
Basic - (₹)		(40.22)	81.63
Diluted - (₹)		(40.22)	81.63
Face value per ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	3		
The accompanying notes form an integral part of the Financial Statements			

As per our Report of even date attached

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

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai, April 26, 2021

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vivek Sharma
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No: ACS34515

Harish Kumar
Chief Financial Officer
ICAI M.No: 534449

Varanasi, April 26, 2021

Cash Flow Statement for the year ended March 31, 2021

₹ in lakh

	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(696.85)	1,349.67
Adjustments For:		
Depreciation and Amortisation	690.42	635.06
Depreciation on Right of Use Assets	3.02	3.03
Finance Cost	64.37	72.96
Interest on lease liability	35.33	34.68
Provision for Doubtful Debts net of bad debts	36.02	15.32
(Gain)/ Loss on Sale of Property, Plant and Equipment	0.01	33.49
Interest Income	(45.32)	(15.03)
Lease Liability written back	(7.01)	-
Provision for Employee Benefits	12.54	(16.44)
	789.38	**763.07**
Cash Operating Profit before working capital changes	92.53	2,112.74
Adjustments For:		
Trade Receivables	318.63	(13.28)
Inventories	23.05	22.87
Non Current- Other Financial Asset	(11.60)	2.25
Other non-current assets	35.73	4.92
Current-Other Financial Assets	78.15	(21.06)
Other current assets	56.68	(120.13)
Trade Payables	(388.36)	(125.91)
Current liabilities- Other Financial Liabilities	(93.13)	89.00
Other Liabilities & Provisions	(32.70)	18.48
	(13.55)	**(142.86)**
Cash Generated from Operating Activities	78.98	1,969.88
Direct Taxes Paid - net	127.93	(293.62)
Net Cash From Operating Activities (A)	**206.91**	**1,676.26**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(135.00)	(1,517.70)
Sale of Property, Plant and Equipment	-	50.07
Interest Received	45.35	17.64
Bank Balances not considered as Cash and Cash Equivalents	6.13	127.02
Net Cash Used In Investing Activities (B)	**(83.52)**	**(1,322.97)**
CASH FLOW FROM FINANCING ACTIVITIES*		
Interest Paid	(63.69)	(71.31)
Payment of lease liabilities and interest	(21.04)	(27.20)
Proceeds from short-term borrowings	500.00	500.00
Repayment of short-term borrowings	(500.00)	(450.00)
Dividend Paid (Including tax on dividend)	(97.50)	(235.08)
Net Cash Used In Financing Activities (C)	**(182.23)**	**(283.59)**
Net Increase/ (Decrease) in Cash and cash equivalents (A + B + C)	**(58.84)**	**69.70**
Cash and cash equivalents - Opening (Refer Note 11)	181.72	112.02
Cash and cash equivalents - Closing (Refer Note 11)	122.88	181.72

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

As per our Report of even date attached

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

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai, April 26, 2021

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vivek Sharma
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No: ACS34515

Harish Kumar
Chief Financial Officer
ICAI M.No: 534449

Varanasi, April 26, 2021

Statement of Changes in Equity as at March 31, 2021

₹ lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Grand Total
		Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2019	130.00	0.86	2,167.22	4,872.16	7,170.24
Changes in accounting policy - Transition impact of Ind AS 116	-	-	-	(152.77)	(152.77)
Balance at the beginning of the reporting period	**130.00**	**0.86**	**2,167.22**	**4,719.39**	**7,017.47**
Profit for the year ended March 31, 2020	-	-	-	1,061.20	1,061.20
Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				(12.30)	(12.30)
Total Comprehensive Income for the year ended March 31, 2020	**-**	**-**	**-**	**1,048.90**	**1,048.90**
Dividends				(195.00)	(195.00)
Tax on Dividend				(40.08)	(40.08)
Balance as at March 31, 2020	**130.00**	**0.86**	**2,167.22**	**5,533.20**	**7,831.28**
Balance at the beginning of the reporting period	130.00	0.86	2,167.22	5,533.20	7,831.28
Changes in accounting policy - Transition impact of Ind AS 116	-	-	-	-	-
Restated balance at the beginning of the reporting period	**130.00**	**0.86**	**2,167.22**	**5,533.20**	**7,831.28**
Profit for the year ended March 31, 2020	-	-	-	(522.86)	(522.86)
Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				12.54	12.54
Total Comprehensive Income for the year ended March 31, 2021	**-**	**-**	**-**	**(510.32)**	**(510.32)**
Dividends			-	(97.50)	(97.50)
Tax on Dividend			-	-	-
Balance as at March 31, 2021	**130.00**	**0.86**	**2,167.22**	**4,925.38**	**7,223.46**

As per our Report of even date attached

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

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai, April 26, 2021

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vivek Sharma
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No: ACS34515

Harish Kumar
Chief Financial Officer
ICAI M.No: 534449

Varanasi, April 26, 2021

Notes to the Financial Statements for the year ended March 31, 2021

Note 1. Corporate Information

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

The financial statements were approved by the Board of Directors and authorised for issue on April 26, 2021.

NOTE 2. APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

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

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

(b) Recent Accounting Pronouncements:

New amended standards and interpretation

i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'

ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.

iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.

iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.

v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments except for Ind AS 116 has any material impact on the financial statements for the current year. For impact of Ind AS 116, refer note 23 Other Income wherein ₹ 7.01 lakhs recognised towards lease rent waiver.

(c) Standards issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

(d) Basis of preparation and presentation:

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

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

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

Fair value measurement:

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

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

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

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

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

(e) Critical accounting estimates and judgments:

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

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

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

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

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

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

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

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

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

- **Leases**

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

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

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

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020.

The hotel business has been severely impacted during the year on account of outbreak of global pandemic COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of the restrictions, hotels have been opened and business has gradually improved across all hotels. During the second half of the year, the Company witnessed some signs of recovery of demand. Whilst there has been a second wave of the COVID-19 pandemic in the last month in some States, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation.

The Company has assessed the possible impact of COVID-19 in preparation of the financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of Covid-19 may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has adequate funds at its disposal and the management has secured additional financing to prevent disruption of the operating cash flows and to enable the Company to meet its debts and obligations as they fall due. Accordingly, the financial results of the Company have been prepared on a going concern basis.

(f) Revenue recognition:

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

Revenue from operations

Rooms, Food and Beverage & Banquets:

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

Space and shop rentals:

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

Other Allied services:

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

Interest

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

Dividend

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

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

i. Provident Fund

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

ii. Gratuity Fund

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

iii. Compensated Absences

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

iv. Short Term Obligations

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

(h) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

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

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

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

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

(i) Intangible Assets:

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

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

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

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

iv) the ability to measure the development expenditure reliably.

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

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

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

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

(j) Impairment of assets:

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

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

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

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

(k) Foreign Currency Translation:

The functional currency of the Company is Indian rupee.

Initial Recognition

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Subsequent Recognition

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

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

(l) Non-current assets held for sale:

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

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

(m) Assets taken on lease:

The Company as a lessee:

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) Inventories:

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

(o) Government Grants:

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

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

(p) Income Taxes:

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

i. Current tax:

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

ii. Deferred tax:

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

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

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

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

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

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

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

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

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

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

(r) Borrowing Costs:

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

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

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

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

(t) Cash Flow Statement:

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

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

(u) Earnings Per Share:

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

(v) Segment Reporting:

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

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

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

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

(w) Financial Instruments:

Financial Assets:

Classification

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

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

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

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

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

Derecognition

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

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

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

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

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

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

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 4 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ lakhs

	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2019	13.05	4,461.05	3,424.14	1,297.71	92.97	0.12	9,289.04
Additions	-	562.78	496.30	427.93	5.00	-	1,492.01
Less: Disposals	-	74.86	17.98	8.61	-	-	101.45
At March 31, 2020	**13.05**	**4,948.97**	**3,902.46**	**1,717.03**	**97.97**	**0.12**	**10,679.60**
Additions	-	-	7.93	1.99	15.35	-	25.27
Less: Disposals	-	-	33.26	10.56	0.44	-	44.26
At March 31, 2021	**13.05**	**4,948.97**	**3,877.13**	**1,708.46**	**112.88**	**0.12**	**10,660.61**
Depreciation							
At April 1, 2019	-	293.36	656.06	209.26	59.64	-	1,218.32
Add: Charge for the year	-	170.97	284.04	140.52	17.10	-	612.63
Less: Disposals		5.55	8.21	4.13	-	-	17.89
At March 31, 2020	**-**	**458.78**	**931.89**	**345.65**	**76.74**	**-**	**1,813.06**
Add: Charge for the year	-	184.33	306.92	163.37	14.74	-	669.36
Less: Disposals	-	-	33.26	10.55	0.44	-	44.25
At March 31, 2021	**-**	**643.11**	**1,205.55**	**498.47**	**91.04**	**-**	**2,438.17**
Net Block							
At March 31, 2020	**13.05**	**4,490.19**	**2,970.57**	**1,371.38**	**21.23**	**0.12**	**8,866.53**
At March 31, 2021	**13.05**	**4,305.86**	**2,671.58**	**1,209.99**	**21.84**	**0.12**	**8,222.44**

Footnotes:

(i) Gross block includes:
Buildings constructed on leasehold land - ₹ 1,889.52 lakhs (previous year - ₹ 1,889.52 lakhs)

Note 5 : Intangible Assets (Acquired) - Softwares & Rights

₹ lakhs

Cost	
At April 1, 2019	155.21
Additions	19.93
Less: Disposals	-
At March 31, 2020	**175.14**
Additions	3.46
Adjustments	-
Less: Disposals	3.20
At March 31, 2021	**175.40**
Amortisation	
At April 1, 2019	81.26
Charge for the year	22.44
Disposals	-
At March 31, 2020	**103.70**
Charge for the year	21.06
Disposals	3.20
At March 31, 2021	**121.56**
Net Block	
At March 31, 2020	**71.44**
At March 31, 2021	**53.83**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6. Right of Use Assets

Figures in ₹ Lakhs

	Building	Total
Gross Block at Cost		
At April 1, 2019	-	-
Translation Adjustment	-	-
Opening Adjustments	-	-
Addition on accquisition	-	-
Additions	130.19	130.19
Deductions for the year	-	-
As at March, 2020	**-**	**-**
Translation Adjustment	-	-
Opening Adjustments	-	-
Addition on accquisition	-	-
Additions	-	-
Deductions for the year	-	-
As at March, 2021	**130.19**	**130.19**
Depreciation		
At April 1, 2019	-	-
Translation Adjustment	-	-
Opening Adjustments	-	-
Charge for the year	3.02	3.02
Deductions for the year	-	-
As at March, 2020	**3.02**	**-**
Translation Adjustment	-	-
Opening Adjustments	-	-
Charge for the year	3.03	3.03
Deductions for the year	-	-
As at March, 2021	**6.05**	**3.03**
Net Block		
As at March, 2020	**-**	**-**
As at March, 2021	**124.14**	**127.16**

Note 7 : Other Financial Assets

(Unsecured, considered good unless stated otherwise)

₹ lakhs

	March 31, 2021	March 31, 2020
A) Non Current		
Deposits with Public Bodies and Others at amortised costs		
Public Bodies and Others	23.96	23.96
Deposits with Banks *	11.59	-
	35.55	**23.96**

*includes FDRs having maturity less than 12 months of ₹ 11.59 lakhs (PY - INR Nil lakhs) which are under lien for issuance of Bank Guarantees.

₹ lakhs

	March 31, 2021	March 31, 2020
B) Current		
Deposit with public bodies and others		
Others	0.95	1.03
	0.95	**1.03**
Other advances		
Considered good	13.90	14.99
Interest receivable		
Bank Deposits	0.05	0.08
	0.05	**0.08**
On Current Account dues:		
Related Parties (Refer Note 32)	20.12	64.50
Others	33.74	66.34
	53.86	**130.84**
Total	**68.76**	**146.94**

Note 8 : Other Assets

(Unsecured, considered good unless stated otherwise)

₹ lakhs

	March 31, 2021	March 31, 2020
A) Non Current		
Capital Advances	16.91	19.23
Prepaid Expenses	1.02	1.42
Export incentive receivable (Refer Foot Note below)	42.62	77.95
Deposits with Government Authorities	10.00	10.00
Total	**70.55**	**108.60**
Foot Note: Export Incentive Receivable		
Opening balance	77.95	79.99
Add: SEIS accrued during the year	0.27	43.59
Less: Sale proceeds/ used during the year	35.60	45.63
Closing balance	**42.62**	**77.95**
B) Current		
Prepaid Expenses	45.74	46.08
Indirect tax recoverable	50.12	109.73
Advance to Suppliers	19.66	16.76
Advance to Employees	0.37	-
Total	**115.89**	**172.57**

Note 9 : Inventories (At lower of cost and net realisable value)

₹ lakhs

	March 31, 2021	March 31, 2020
Food and Beverages	44.47	60.08
Stores and Operating Supplies	37.84	45.28
	82.31	**105.36**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 10 : Trade and other receivables

₹ lakhs

	March 31, 2021	March 31, 2020
(Unsecured)		
Considered good*	78.22	432.87
Balance having significant increase in credit risk	-	-
Credit impaired	78.97	42.95
Total	**157.19**	**475.82**
Less: Provision for impairment (Refer foot note - 1)	78.97	42.95
	78.22	**432.87**

*For related party balances refer Note 32
Footnote:
1) Provision for Impairment

₹ lakhs

	March 31, 2021	March 31, 2020
Opening Balance	42.95	27.63
Add: Provision during the year	36.02	18.62
	78.97	**46.25**
Less: Bad debts written off against past provisions	-	3.30
Less: Reversal of provision no longer required	-	-
Closing Balance	**78.97**	**42.95**

Note 11 : Cash and Cash Equivalents

₹ lakhs

	March 31, 2021	March 31, 2020
Cash on hand	4.03	4.67
Balances with bank in current account	68.85	177.05
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	50.00	-
	122.88	**181.72**

Note 12 : Bank Balances Other than Cash and Cash Equivalents

₹ lakhs

	March 31, 2021	March 31, 2020
Other Balances with banks		
Call and Short-term deposit accounts*	-	5.03
Earmarked balances	45.07	46.17
	45.07	**51.20**

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

Note 13 : Share Capital

₹ lakhs

	March 31, 2021	March 31, 2020
Authorised Share Capital		
Ordinary Shares		
15,00,000 (Previous Year- 15,00,000) Ordinary Shares of ₹ 10/- each	150.00	150.00
	150.00	**150.00**
Issued Share Capital		
13,00,000 (Previous Year- 13,00,000) Ordinary Shares of ₹ 10/- each	130.00	130.00
	130.00	**130.00**
Subscribed and Paid Up		
13,00,000 (Previous Year- 13,00,000) Ordinary Shares of ₹ 10/- each	130.00	130.00
	130.00	**130.00**

Footnotes:

(1) The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of the liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

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

Particulars	Opening Balance	Fresh issue	Closing Balance
Ordinary shares			
Year ended March 31, 2021			
- Number of shares	13.00	-	13.00
- Amount (Rupees)	130.00	-	130.00
Year ended March 31, 2020			
- Number of shares	13.00	-	13.00
- Amount (Rupees)	130.00	-	130.00

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

₹ lakhs

	No. of Shares March 31, 2021	No. of Shares March 31, 2020
Name of the Company		
Holding Company		
The Indian Hotels Company Limited	6,43,825	6,43,825
Subsidiaries of Holding Company		
Piem Hotels Limited	54,063	54,063
Northern India Hotels Limited	150	150
Associate of Holding Company		
Oriental Hotels Limited	50	50

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

₹ lakhs

	No. of Shares March 31, 2021	No. of Shares March 31, 2020
The Indian Hotels Company Limited	6,43,825	6,43,825
% of Holding	49.53%	49.53%

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

Note 14 : Other Equity

₹ lakhs

	March 31, 2021	March 31, 2020
a) Reserves & Surplus		
Capital Reserve	0.86	0.86
General Reserve		
Opening Balance	2,167.22	2,167.22
Closing Balance	**2,167.22**	**2,167.22**
Retained Earnings		
Opening Balance	5,533.20	4,872.16
Less: Ind AS 116 Transition	-	(152.77)
Add: Current year profit/ (loss)	(522.86)	1,061.20
Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	12.54	(12.30)
Less: Final Dividend	(97.50)	(195.00)
Less: Tax on Dividend	-	(40.08)
Closing Retained Earnings	**4,925.38**	**5,533.20**
Total	**7,093.46**	**7,701.28**

Note 15 : Lease Liabilities

₹ lakhs

	March 31, 2021	March 31, 2020
Non Current		
Lease Liabilities	356.54	349.26
Total	**356.54**	**349.26**

Note 16 : Provisions

₹ lakhs

	March 31, 2021	March 31, 2020
A) Non Current provisions		
Employee Benefit Obligation (Non-current)		
Compensated absences	30.48	35.30
	30.48	**35.30**
B) Current provisions		
Employee Benefit Obligation (Current)		
Compensated absences	5.36	8.18
Gratuity (Refer Note 33)	6.39	31.45
	11.75	**39.63**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 17 : Deferred Tax Liabilities (Net)

₹ lakhs

	March 31, 2021	March 31, 2020
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	664.06	653.19
Total (A)	**664.06**	**653.19**
Deferred Tax Assets:		
Provision for Employee Benefits	9.73	10.95
OCI- Defined Benefit Obligations	-	-
Provision for doubtful debts	19.87	10.81
Unused tax losses	179.70	-
Ind AS 116 Impact	58.49	55.86
Others	4.23	9.55
Total (B)	**272.02**	**87.16**
Net Deferred Tax Liabilities (A-B)	**392.04**	**566.03**

Note 18 : Borrowings

₹ lakhs

	March 31, 2021	March 31, 2020
Short term borrowings		
Short Term Borrowings from Related Parties		
Secured	-	-
Unsecured @ 9%	555.99	555.31
Total Short term borrowings	**555.99**	**555.31**
Less: Interest accrued (included in Note 20)	5.99	5.31
Total Borrowings	**550.00**	**550.00**
(Refer foot notes below)		

Foot Note - 1

The company has been sanctioned with a Overdraft/ Working Capital Demand facility in current year of ₹ 1000 lakhs by Axis Bank. The facility carries interest @ 8.80% p.a. at the year end (MCLR 1 Year plus 125 basis points) and secured against exclusive charge on the entire current and movable assets of the company, both present and future. Further, negative lien on the fixed and immovable assets of the company. The balance outstanding at the year end is ₹ Nil.

Foot Note - 2

Financial liabilities

Net debt reconciliation

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
a) **Net debt**		
Cash and cash equivalents	122.88	181.72
Current Investment	-	-
Short Term Borrowings	(550.00)	(550.00)
Long term Borrowings (Including Current portion)	-	-
Net (debt)/ Cash & Cash Equivalents	**(427.12)**	**(368.28)**
b) **Other financial Liability**		
Unclaimed Deposits/Interest	-	-
Derivative	-	-
Interest Accrued	(5.99)	(5.31)
Total Other financial Liability	**(5.99)**	**(5.31)**
Grand Total	**(433.11)**	**(373.59)**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Interest expenses	Accrued during the Year		Paid during the Year	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
On Long term borrowings	-	-	-	-
On Short term borrowings	64.37	72.96	63.69	71.31
FV Changes for Derivatives (i.e. IRS)	-	-	-	-
Other Interest costs	-	-	-	-
Total	**64.37**	**72.96**	**63.69**	**71.31**

	Other Assets		Borrowings	Total Net borrowings	Other financial Liability	Grand Total
	Cash and cash equivalents	Current Investment	Short Term Borrowings		Interest Accrued	
Net (debt)/ Cash & Cash Equivalents as at April 1, 2019	112.02	-	(500.00)	(387.98)	(3.66)	(391.64)
Cash Flows				-	-	-
Increase/(Decrease) in cash and cash equivalents	69.70	-	-	69.70	-	69.70
Borrowings	-	-	(500.00)	(500.00)	-	(500.00)
Repayment	-	-	450.00	450.00	-	450.00
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	(72.96)	(72.96)
Interest paid	-	-	-	-	71.31	71.31
(Net debt)/ Cash & Cash Equivalents as at March 31, 2020	**181.72**	**-**	**(550.00)**	**(368.28)**	**(5.31)**	**(373.59)**
Net (debt)/ Cash & Cash Equivalents as at April 1, 2020	**181.72**	**-**	**(550.00)**	**(368.28)**	**(5.31)**	**(373.59)**
Cash Flows						
Increase/(Decrease) in cash and cash equivalents	(58.84)	-		(58.84)	-	(58.84)
Borrowings	-	-	(500.00)	(500.00)	-	(500.00)
Repayment	-	-	500.00	500.00	-	500.00
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	(64.37)	(64.37)
Interest paid	-	-	-	-	63.69	63.69
(Net debt)/ Cash & Cash Equivalents as at March 31, 2021	**122.88**	**-**	**(550.00)**	**(427.12)**	**(5.99)**	**(433.11)**

Note 19: Trade Payables

₹ lakhs

	March 31, 2021	March 31, 2020
Micro and Small Enterprises (Refer Footnote - 1)	13.17	5.61
Vendor Payables (Refer Footnote - 2)	78.06	415.87
Accrued expenses and others	85.74	143.84
	176.97	**565.32**

Footnotes:

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

2) For related party balances refer Note 32.

Note 20: Other financial liabilities

₹ lakhs

	March 31, 2021	March 31, 2020
Current financial liabilities		
Payables on Current Account dues:		
Related Parties*	3.37	5.40
Others	3.94	5.98
Total	**7.31**	**11.38**
*For related party balances refer Note 32.		
Deposits from others		
Unsecured	28.15	36.79
Total	**28.15**	**36.79**
Interest accrued but not due on borrowings	5.99	5.31
Creditors for capital expenditure	35.85	137.96
Unclaimed dividend (Refer Foot Note - 1)	45.07	46.17
Employee related liabilities	37.24	96.58
Others	12.10	12.31
Grand Total	**171.71**	**346.50**

Foot Note:

1) A sum of ₹ 6.44 lakhs (PY INR 4.97 lakhs) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

Note 21 : Other Current Liabilities

₹ lakhs

	March 31, 2021	March 31, 2020
Current		
Advances collected from customers	155.95	148.95
Statutory dues	20.55	47.32
	176.50	**196.27**

Note 22 : Revenue from Operations

₹ lakhs

	March 31, 2021	March 31, 2020
Room Income, Food, Restaurants and Banquet Income	2,282.07	6,035.85
Shop rentals	54.67	66.69
Membership fees	-	-
Others	87.11	261.02
Total	**2,423.85**	**6,363.56**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 23 : Other Income

₹ lakhs

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Inter-corporate deposits		
Deposits with banks	3.03	6.22
Interest on Income Tax Refunds	42.29	8.81
Total	**45.32**	**15.03**
Profit on sale of assets (Net)	-	-
Others	11.71	5.11
Grand Total	**57.03**	**20.14**

Note 24 : Food and Beverages Consumed

₹ lakhs

	March 31, 2021	March 31, 2020
Opening Stock	60.08	49.94
Add: Purchases	259.64	630.20
	319.72	**680.14**
Less: Closing Stock	44.47	60.08
Food and Beverages Consumed	**275.25**	**620.06**

Note 25 : Employee Benefit Expense and Payment to Contractors

₹ lakhs

	March 31, 2021	March 31, 2020
Salaries, Wages, Bonus etc.	441.41	587.05
Company's Contribution to Provident and Other Funds	47.47	47.85
Reimbursement of Expenses on Personnel Deputed to the Company	234.17	257.81
Payment to Contractors	33.86	106.14
Staff Welfare Expenses	42.51	124.87
Total	**799.42**	**1,123.72**

Note 26 : Finance costs

₹ lakhs

	March 31, 2021	March 31, 2020
Interest Expense at effective interest rate on borrowings	64.37	72.96
	64.37	**72.96**
Interest on Lease liability	35.33	34.68
Total	**99.70**	**107.64**

Note 27 : Other Operating and General Expenses

₹ lakhs

	March 31, 2021	March 31, 2020
(i) Operating expenses consist of the following:		
Linen and Room Supplies	42.46	99.56
Catering Supplies	20.72	43.36
Other Supplies	1.88	10.25
Fuel, Power and Light (Refer footnote (i))	297.84	466.72
Repairs to Buildings	21.33	42.59
Repairs to Machinery	67.93	106.34
Repairs to Others	3.10	6.91
Garden Expenses	17.59	57.79
Linen and Uniform Washing and Laundry Expenses	32.67	78.37
Payment to Orchestra Artistes and Security Charges	11.13	43.27
Guest Transportation	26.80	57.62
Travel Agents' Commission	53.44	61.62
Discount to Collecting Agents	25.52	34.36
Other Operating Expenses	39.97	112.33
Total	**662.38**	**1,221.09**
(ii) General expenses consist of the following:		
Rent	15.93	17.34
Licence Fees	4.30	15.76
Rates and Taxes	104.11	33.83
Insurance	32.62	14.25
Advertising and Publicity	99.50	271.69
Management Fee Expenses	88.10	452.83
Reimbursable Fees Expenses- Corporate Services and CRS/ CIS	46.86	125.04
Printing and Stationery	7.75	14.98
Passage and Travelling	9.61	22.23
Provision for Doubtful Debts/ Bad debts written off (Refer Note 9)	36.02	18.62
Expenditure on Corporate Social Responsibility (Refer Footnote (iii))	22.82	20.48
Professional Fees	24.77	36.73
Outsourced Support Services	43.16	62.03
Exchange Loss (Net)	-	0.06
Loss on Sale of Fixed Assets (Net)	0.01	33.49
Payment made to Statutory Auditors (Refer Footnote (iv))	6.87	11.27
Directors' Fees and Commission	9.89	52.05
Other Expenses	95.21	120.74
Total	**647.53**	**1,323.42**
Grand Total	**1,309.91**	**2,544.51**

Footnotes:

(i) Expenditure recovered from other parties:

₹ lakhs

	March 31, 2021	March 31, 2020
Fuel, Power and Light	4.28	11.45
Total	**4.28**	**11.45**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

₹ lakhs

	March 31, 2021	March 31, 2020
Employee benefits expense	-	41.57
Fuel, power and light	-	16.95
Other expenses (Net)	-	10.69
Total	**-**	**69.21**

(iii) Corporate Social Responsibility Expenditure

₹ lakhs

	March 31, 2021	March 31, 2020
Amount required to be spent as per Section 135 of the Act	22.75	20.35
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	22.82	20.48

(iv) Payment made to Statutory Auditors:

₹ lakhs

	March 31, 2021	March 31, 2020
As auditors	5.00	5.00
As tax auditors	1.50	1.50
For other services - net*	0.03	2.20
For Reimbursement of Expenses	0.35	2.57
	6.87	**11.27**

* excess provision of ₹ 0.48 lakhs reversed in current year (PY - Nil)

Note 28: Tax Disclosures

i) Income Tax recognised in Profit or loss:

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Current Tax		
In respect of the current year	-	312.15
In respect of earlier years		
Resulting from reversal of provision for tax for earlier years	-	-
Other demands and tax paid for earlier years	-	
	-	**312.15**
Deferred Tax		
In respect of the current year		
Other items includes the impact on account of change in tax rates	(173.99)	(23.68)
Total tax expense recognised in the current year relating to continuing operations	**(173.99)**	**288.47**

ii) Reconciliation of tax expense with the effective tax:

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Profit before tax from continuing operations (a)	(696.85)	1,349.67
Income tax rate as applicable (b)	25.1680%	25.1680%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(175.38)	339.69
Permanent tax differences due to:		
Effect of expenses that are not deductible in determining taxable profit	5.74	4.77
Others	-	-
Deferred Tax reversal		
Net Impact of the change in the tax rates*	-	(56.21)
Adjustment to Opening Deferred Tax	(4.35)	0.22
Total tax expense recognised in the current year	**(173.99)**	**288.47**

iii) Income tax recognised in other comprehensive income:

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Deferred tax/ Income Tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	-	(4.14)
	-	**(4.14)**

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

₹ lakhs

March 31, 2021	Opening Balance	Recognised in Retained Earning	Recognised in profit or loss - Change in Tax Rates	Recognised in profit or loss - CY Impact	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities/ assets in relation to:						
Property, Plant and equipment & Intangible Assets	653.19	-	-	10.87	-	664.06
Provision for Employee Benefits	(10.95)	-	-	1.22	-	(9.73)
Provisions for Defined benefit obligations	-	-	-	-	-	-
Provision for doubtful debts	(10.81)	-	-	(9.06)	-	(19.87)
Ind AS 116 impact	(55.86)	-	-	(2.64)	-	(58.49)
Unused business losses	-	-	-	(179.70)	-	(179.70)
Others (Expenses disallowed to be allowed in future)	(9.55)	-	-	5.32	-	(4.23)
Total Deferred Tax Liability	**566.03**	**-**	**-**	**(173.99)**	**-**	**392.04**

₹ lakhs

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 29: Lease

The Company has taken land and immovable properties on lease which are generally long term in nature with varying terms, escalation clauses and renewal rights expiring within forty one to sixty years. On renewal, the terms of the leases are renegotiated.

Amount in ₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Increase in depreciation expense relating to the depreciation of new right-of-use assets recognised.	3.03	3.02
Decrease in Rent expense relating to previous operating leases	28.05	27.20
Increase in Financial expenses relating to the interest expense on additional lease liabilities recognised	35.33	34.68
Increase in net cash from operating activities and decrease in financing activities by the same amount, representing repayments of principal and interest on the recognised lease liabilities.	21.04	27.20

As at March 31, 2021	March 31, 2021	March 31, 2020
Right-of-use assets recognised and presented separately in Company statement of financial position (Refer Note 6)	124.14	127.16
Lease liabilities recognised and presented separately in Company statement of financial position (Refer Note 15)	356.54	349.26
Net deferred tax assets increased on account of deferred tax impact of the changes in assets and liabilities (Refer Note 28)	58.49	55.86
Net effect of these adjustments increased Company's net liabilities by	173.90	166.24

B. Ind AS 116 related Other Disclosures:

1. Total lease liabilities are analysed as follows:

₹ lakhs

Denominated in the following currencies:	March 31, 2021	March 31, 2020
Indian Rupees	356.54	349.26
Other Currencies	-	-
Current	-	-
Non-current	356.54	349.26
Total	**356.54**	**349.26**

2. Amounts recognised in profit or loss

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

₹ lakhs

	March 31, 2021	March 31, 2020
Depreciation of right-of-use assets	3.03	3.03
Expense relating to variable lease payments	4.30	15.76
Expense relating to short-term leases and low-value assets	-	-
Interest on lease liabilities	35.33	34.68
Gain on lease modification	-	-
Variable lease payments/ payments for short term leases	20.23	33.10
Total recognised in Statement of Profit & Loss	**62.89**	**86.57**

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

3. Exposure to future cash flows:

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

₹ lakhs

Maturity analysis:	March 31, 2021	March 31, 2020
Less than 1 year	28.90	28.05
Between 1 and 2 years	29.75	28.90
Between 2 and 5 years	91.80	91.80
More than 5 years	1,730.23	1,759.98
Total	**1,880.68**	**1,908.73**

Note 30: Contingencies and Commitments

Contingent Liabilities (to the extent not provided for)

a) On account of other disputes in respect of:

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

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

b) Others

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

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

(ii) the proceedings are in early stages;

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

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

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

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 23.34 Lakhs (Previous year – ₹ 10.48 Lakhs).

Note 31: Segment Reporting

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

32 (a) Related party transactions

Details of related parties:

(i) Holding Company

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

(ii) Fellow subsidiaries

KTC Hotels Limited
United Hotels Limited
Roots Corporation Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Northern India Hotels Limited
Taj Enterprises Limited
Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels & Investments Limited
Ideal Ice & Cold Storage Company Limited
Taj International Hotels (H.K) Limited
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
IHMS LLC - San Francisco
IHMS LLC - USA
PIEM International Hotels (H.K) Limited
United Overseas Holdings Inc.
IHMS Hotels (SA) (Proprietary) Limited
Goodhope Palace Hotels (Proprietary) Limited

(iii) Directors who held the office during the year and previous year:

Dr. Anant Narain Singh, Chairman
Mr. Rohit Khosla, Non Executive Director
Mr. Moiz Miyajiwala, Non Executive Director & Independent Director#
Mrs. Rukmani Devi, Non Executive & Independent Director#
Mr. Puneet Chhatwal, Non Executive Director
Mr. Puneet Raman, Non Exectuive Director & Independent Director#

#Independent directors are included as related parties for the purpose of Indian Accounting Standards (Ind AS 24- Related Party Transactions) only. They are not related under the Companies Act, 2013.

(iv) Key Management Personnel (KMP) for Current and Previous year:

Mr. Vijay Partap Shrikent (Chief Executive Officer) *
Mr. Vivek Sharma (Chief Executive Officer) *
Mr. Sopan Kedia (Chief Financial Officer) #
Mr. Harish Kumar (Chief Financial Officer)
Ms. Vanika Mahajan (Company Secretary)
*For part of the current year
#For part of the previous year

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

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

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

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

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

Taj GVK Hotels and Resorts Limited
TAL Maldives Resorts Private Limited
Taj Kerala Hotels and Resorts Limited
Taj Sats Air Catering Limited
Oriental Hotels Limited
Tata Consultancy Services Limited
Tata Teleservices Limited
Tata Communications Limited
Tata Sky Limited
Tata SIA Airlines Limited
Tata Capital Limited
Tata Capital Financial Services Limited
Tata AIG General Insurance Company Limited
Tata AIA Life Insurance Company Limited
TRIL Infopark Limited

(viii) Others

Hotel Taj Ganges Employee Gratuity Trust

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(b) Details of related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021:

₹ lakhs

S. No.	Particulars	Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested/ Relatives of Directors		Directors		Others	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Transactions during the year:												
1	ICD received during the year	-	-	250.00	500.00	-	-	-	-	-	-	-	-
2	Repayment of ICD received during the year	-	-	250.00	450.00	-	-	-	-	-	-	-	-
3	Interest expense on ICD	-	-	62.01	72.96	-	-	-	-	-	-	-	-
4	KMP remuneration (Foot Note -1)	-	-	-	-	68.27	86.97	-	-	-	-	-	-
5	Other Reimbursement to KMPs	-	-	-	-	0.16	1.04	-	-	-	-	-	-
6	Director Sitting Fees	-	-	-	-	-	-	-	-	9.90	11.10	-	-
7	Director Commission on cash basis	-	-	-	-	-	-	-	-	40.94	35.79	-	-
8	License Fees expenses paid/ accrued	-	-	-	-	-	-	10.52	15.35	10.52	15.35	-	-
9	License Fees waiver	-	-	-	-	-	-	3.51	-	3.51	-	-	-
10	Management fees expenses paid/accrued	88.10	452.83	-	-	-	-	-	-	-	-	-	-
11	Fees paid for other services/ accrued	105.44	281.34	49.97	72.54	-	-	0.24	-	-	-	-	-
12	Deputed Staff Expense at cost - incl. KMP remuneration	110.13	149.79	85.12	76.97	-	-	-	-	-	-	-	-
13	Deputed Staff Expense Recovered	106.77	110.45	67.50	70.09	-	-	-	-	-	-	-	-
14	Other Reimbursable Expense at cost	87.42	85.58	0.36	2.58	-	-	-	-	-	0.26	-	-
15	Other Operating Income-Rooms (including tax)	-	1.09	6.30	5.11	-	-	-	-	-	-	-	-
16	Other Income Earned/ Recoveries made	5.72	26.05	0.52	9.57	-	-	-	-	-	-	-	-
17	Dividend Paid	48.29	96.57	4.07	8.14	-	-	8.34	16.40	2.22	4.44	-	-
18	Contribution to Gratuity Trust on Cash Basis	-	-	-	-	-	-	-	-	-	-	31.45	11.88

₹ lakhs

	Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested		Directors		Others	
	S. No.	Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balances outstanding at the end of the year:												
1 Borrowings	-	-	550.00	550.00	-	-	-	-	-	-	-	-
2 Current Account Receivable	14.15	61.96	5.96	2.54	-	-	-	-	-	-	-	-
3 Trade Payables	29.08	252.91	4.62	13.76	-	-	-	5.39	-	5.15	-	-
4 Trade Receivables	-	-	1.25	3.49	-	-	-	-	-	-	-	-
5 Current Account Payables	-	-	3.37	5.40	-	-	-	-	-	-	-	-
6 Interest Payable	-	-	5.99	5.31	-	-	-	-	-	-	-	-

Foot Note:

1 KMP Remunerations paid as reimbursement to IHCL.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(c) Details of material transactions with related party during the year ended March 31, 2021 and balances outstanding as at March 31, 2021:

₹ lakhs

S. No.	Entities		March 31, 2021	March 31, 2020
	Material transactions during the year			
1	**The Indian Hotels Company Limited (IHCL)**			
	i	Management and operating Fees	88.10	452.83
	ii	Fee for other Services	105.44	281.34
	ii	Deputed Staff Expense at cost - incl. KMP remuneration	110.13	149.79
	iv	Deputed Staff Expense Recovered	106.77	110.45
	v	Other Operating Income- Rooms (including tax)	-	1.09
	vi	Other Income Earned/ Recoveries made	5.72	26.05
	vii	Other Reimbursable Expense at cost	87.42	85.58
	viii	Dividend Paid	48.29	96.57
	Fellow Subsidiary company			
2	**United Hotels Limited**			
	i	ICD Received	250.00	500.00
	ii	ICD Repayment made	250.00	450.00
	iii	Interest Expense	62.01	72.96
	iv	Deputed Staff Expense at cost	9.48	13.66
	v	Reimbursement of Expenses at cost	-	0.67
3	**KMP Remuneration - paid as reimbursement to IHCL**			
	i	Vijay Partap Shrikent	19.51	53.23
	ii	Vivek Sharma	21.11	-
	iii	Sopan Kedia	-	13.41
	iv	Vanika Mahajan	9.93	14.94
	v	Harish Kumar	17.72	5.39

₹ lakhs

S. No.	Entities		March 31, 2021	March 31, 2020
	Balances outstanding at the end of the year:			
1	**The Indian Hotels Company Limited (IHCL)**			
	i	Management and operating fees payable	29.08	252.91
	ii	Receivable on Current account dues	14.15	61.96
2	**United Hotels Limited**			
	i	Borrowings - Inter Corporate Deposit (ICD)	550.00	550.00
	ii	Interest Expense payable	5.99	5.31
	iii	Payable on Current account dues	0.78	0.91
3	**Payables to Directors & Entities in which Directors are related**			
	i	Dr. Anant Naraian Singh	-	5.15
	ii	Rukmani Devi	-	-
	iii	Maharaja Prabhu Naraian Physical Cultural trust	-	1.29
	iv	Aditya Dairies Private Limited	-	2.57
	v	Ananta Electrical Lamp Works Limited	-	1.53

Note 33 : Employee Benefits

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

₹ lakhs

	March 31, 2021	March 31, 2020
Provident Fund	35.49	39.23

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

Funded: Post Retirement Gratuity

(c) Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2021:-

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

₹ lakhs

	March 31, 2021	March 31, 2020
Present Value of Funded Obligations	233.01	228.75
Fair Value of Plan Assets	226.62	197.30
Net (asset) / Liability - Current	6.39	31.45

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

₹ lakhs

	March 31, 2021	March 31, 2020
Current Service Cost	17.51	14.87
Interest on Net Defined Benefit Liability	1.43	0.14
Total	**18.94**	**15.01**

(iii) Amount recorded in Other Comprehensive Income

₹ lakhs

	March 31, 2021	March 31, 2020
Changes in financial assumptions	(2.41)	13.87
Changes in demographic assumptions	-	-
Experience Adjustments	(11.12)	(0.19)
Actual return on plan assets less interest on plan assets	0.99	2.76
Total	**(12.54)**	**16.44**

(iv) Reconciliation of Net Liability/ Asset

₹ lakhs

	March 31, 2021	March 31, 2020
Opening Net Benefit Liability	31.45	11.88
Expense charged to profit and loss	18.93	15.01
Amount recognized outside profit and loss	(12.54)	16.44
Employer Contribution	(31.45)	(11.88)
Closing Net Defined Benefit Liability/ (Asset) - Current	**6.39**	**31.45**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(v) Reconciliation of Defined Benefit Obligation

₹ lakhs

	March 31, 2021	March 31, 2020
Opening Defined Benefit Obligation	228.75	186.95
Current Service Cost	17.51	14.87
Past Service Cost	-	-
Interest on defined benefit obligation	14.55	13.84
Actuarial Losses / (Gain) arising from change in financial assumptions	(2.41)	13.87
Actuarial Losses / (Gain) arising from change in demographic assumptions	-	-
Actuarial Losses / (Gain) arising on account of experience adjustments	(11.12)	(0.19)
Benefits Paid	(14.27)	(1.22)
Liabilities assumed / (settled)*	-	0.63
Closing Defined Benefit Obligation	233.01	228.75

* on account of business combination or inter group transfer

(vi) Reconciliation of Fair Value of Plan Assets

₹ lakhs

	March 31, 2021	March 31, 2020
Opening Fair Value of Plan Assets	197.30	175.07
Employer Contribution	31.45	11.88
Interest on plan assets	13.13	13.70
Re-measurements due to Actual return on plan assets less interest	(0.99)	(2.76)
Benefits Paid	(14.27)	(1.22)
Liabilities assumed / (settled)*	-	0.63
Closing Fair Value of Plan Assets	226.62	197.30

* on account of business combination or inter group transfer

(vii) Description of Plan Assets

	March 31, 2021	March 31, 2020
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Scheme	4%	5%
Equity	0%	0%
Others - Bank FDR	96%	95%
Grand Total	100%	100%

(viii) Actuarial Assumptions

	March 31, 2021	March 31, 2020
Discount rate (p.a.)	6.80%	6.65%
Salary Escalation Rate (p.a.)	Staff- 5.00%	Staff- 5.00%
	Executive-4.00%	Executive-4.00%

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

(ix) Maturity Profile

Maturity Profile	Amount in ₹ lakhs
Expected benefits for year 1	36.01
Expected benefits for year 2	9.59
Expected benefits for year 3	45.18
Expected benefits for year 4	18.75
Expected benefits for year 5	24.93
Expected benefits for year 6	16.35
Expected benefits for year 7	36.38
Expected benefits for year 8	30.67
Expected benefits for year 9	6.01
Expected benefits for year 10 & above	188.41

The weighted average duration to the payment of these cash flows is 6.82 years.

(x) Effect of Change in Key Assumptions

Year Ended March 31, 2021

Particulars	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(3.31)%	3.58%
Impact of decrease in 50 bps on DBO	3.52%	(3.39)%

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

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

Information disclosed above is to the extent provided by actuary.

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

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

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

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	13.17	5.61
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due & payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

Note 35: Earnings Per Share (EPS):

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

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Profit/ (Loss) after tax –(₹)	(522.86)	1,061.20
Number of Ordinary (Equity) Shares in lakhs	13.00	13.00
Weighted Average Number of Ordinary (Equity) Shares in lakhs:		
Considered in calculation of Basic EPS	13.00	13.00
Considered in calculation of Diluted EPS	13.00	13.00
Face Value per Ordinary (Equity) Share (₹)	10.00	10.00
Earnings Per Share (₹):		
Basic	(40.22)	81.63
Diluted	(40.22)	81.63

Note 36: Financial Instruments

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

Financial assets and liabilities

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

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Financial assets:		
Cash and cash equivalents	122.88	181.72
Bank Balances other than Cash & Cash Equivalents	45.07	51.20
Trade Receivables	78.22	432.87
Loans & Advances	-	-
Other financial assets - Non Current	35.55	23.96
Other financial assets - Current	68.76	146.94
Total	**350.48**	**836.69**

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Financial liabilities:		
Borrowings	550.00	550.00
Lease Liabilities - Non Current	356.54	349.26
Lease Liabilities - Current	-	-
Trade Payables	176.97	565.32
Other financial liabilities - Non Current	-	-
Other financial liabilities - Current	171.71	346.50
Total	**1,255.22**	**1,811.08**

Fair value of Financial Instruments measured at amortised cost:

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

Note 37: Financial Risk Management

(a) Financial risk management:

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

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

(b) Market risk

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

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. During the year, following provisions for doubtful debts has been made:

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Opening provision for Impairment	42.95	27.63
Add- Provision made during the year	36.02	18.62
Less: Credit impaired Debts written off against past provisions	-	3.30
Less: Reversal of provision no longer required	-	-
Closing provision for doubtful debts	**78.97**	**42.95**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Trade receivables

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

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
No of Customers who owed more than 10% of the Total receivables	3.00	-
Contribution of Customers in owing more than 10% of Total receivables	45%	-

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

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

(d) Financial instruments and cash deposits

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

(e) Liquidity risk

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

₹ lakhs

Particulars	Interest rate %	Due in 1st year
Year ended March 31, 2021	Fixed	
United Hotels Limited	9%	550.00
Total		**550.00**
Year ended March 31, 2020	Fixed	
United Hotels Limited	9%	550.00
Total		**550.00**

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ lakhs

Particulars	March 31, 2021	March 31, 2020
Expiring within one year:		
Working Capital Demand Loan (WCDL) and Bank overdraft	1,000.00	-
Expiring beyond one year	-	-
Total	**1,000.00**	**-**

The WCDL / Bank overdraft facilities may be drawn at any time by the Company.

(f) Other Risk – Impact of Covid 19

The Company is facing significant uncertainties due to COVID-19 which has impacted the operations of the Company adversely throughout the year. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate future financing requirements.

Financial assets of ₹ 167.95 lakhs as at March 31, 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks which carry a very low credit risk.

Other Financial assets of ₹ 104.31 lakhs as at March 31, 2021 carried at amortised cost which mainly includes receivables from group companies and deposit made with public bodies and other where the Company has assessed the counterparty credit risk and does not expect any losses.

Trade receivables of ₹ 78.22 lakhs as at March 31, 2021 are carreid at amortised cost. The Company expects to recover these outstanding in due course albeit with some delay due to the current situation. Basis our internal assessment, the impairment allowance of ₹ 78.97 lakhs existing as at March 31, 2021 is considered adequate.

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, 2021.

Note 38:

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

₹ lakhs

Contractual Maturity of Financial Liabilities:	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due from 6th year onwards	Total
Year ended March 31, 2021					
Borrowings (for renewal)	550.00	-	-	-	550.00
Trade and other payables	176.97	-	-	-	176.97
Lease Liabilities	28.90	29.75	91.80	1,730.23	1,880.68
Other financial liabilities - Non Current	-	-	-	-	-
Other financial liabilities - Current	171.71	-	-	-	171.71
Year ended March 31, 2020					-
Borrowings (for renewal)	550.00	-	-	-	550.00
Lease Liabilities	28.05	28.90	91.80	1,759.98	1,908.73
Trade and other payables	565.32	-	-	-	565.32
Other financial liabilities - Non Current	-	-	-	-	-
Other financial liabilities - Current	346.50	-	-	-	346.50

Note 39: Guarantees given

Bank Guarantees of ₹ 9.25 lakhs (PY - ₹ 3.00 lakhs) have been given by the company to various government authorities & other parties. These guarantees were issued against the Fixed Deposits of ₹ 11.59 lakhs made with the bank.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 40: Disclosure pursuant to Ind AS 115

₹ lakhs

	Particulars	March 31, 2021	March 31, 2020
	Contract With Customers		
1	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Income from operations		
	a) Room Income, Food & Beverages and Banquets	2,282.07	6,035.85
	b) Shop Rentals	54.67	66.69
	c) Others	86.84	217.44
	Total Income from operations	**2,423.58**	**6,319.98**
	Other operating revenue		
	a) Export Incentive	0.27	43.58
	b) Other revenue	-	-
		0.27	**43.58**
	Total Revenue from operations	**2,423.85**	**6,363.56**
2	**Impairment losses recognised on trade receivable during the year:**	36.02	15.32
3	**Disaggregate Revenue**		
	The following table presents company revenue disaggregated by type of revenue stream and by reportable segment (Refer Note 29 for Segment Reporting):		
	Revenue based on geography		
	India	2,423.85	6,363.56
	Overseas	-	-
	Revenue based on product and services		
	a) Room Income	1,125.15	3,168.44
	b) Food & Beverages and Banquets	1,156.92	2,867.41
	c) Shop Rentals	54.67	66.69
	d) Others revenue from contract with customers	86.84	217.43
	Other operating revenue		
	a) Export Incentive	0.27	43.58
	b) Other revenue	-	-
4	The Company derives its revenue from the transfer of goods and services over time in its major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 31 for Segment Disclosure).		
5	**Contract balances**		
	The following tables present information about trade receivables, contract assets, and deferred revenue:		
	Trade Receivables	78.22	432.87
	Deferred Revenue	-	-
	Advance Collections	155.95	148.95
	Advance Collections, deposits from customer		
	Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/ restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. Refer Note No. 3 on significant accounting policies for details of performance obligation and revenue recognition.		
	At April 01,	148.95	85.85
	At March 31,	155.95	148.95
	Analysed as:		
	Current	155.95	148.95
	Non-current	-	-

Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to ₹ 148.95 Lakhs (PY - INR 85.85 Lakhs)

Note 41: There are no financial liabilities and assets that are set off as at March 31, 2021 and March 31, 2020.

Note 42: Dividends

Dividends paid during fiscal year 2020 represent an amount of ₹ 97.5 Lakhs @ ₹ 7.5/- per equity share towards dividend for fiscal 2020.

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

The dividends declared by Benares Hotels Limited are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of Benares Hotels Limited.

Note 43: Capital Management

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

The Company has borrowings of ₹ 550.00 lakhs (previous year: ₹ 550.00 lakhs) and Net Debts of ₹ 433.11 lakhs (previous year: ₹ 373.59 lakhs) as at the end of the reporting period. Accordingly, the Company has 0.06 gearing ratio (Net Debt/ Total Equity) as at March 31, 2021 and 0.05 as at March 31, 2020.

Note 44: Negative working capital

As at the year end, the Company's current liabilities have exceeded its current assets by ₹ 573.79 lakhs primarily on account of short term borrowings of ₹ 550.00 lakhs and other liabilities of ₹ 23.79 lakhs. Management is confident of its ability to generate adequate cash inflows from operations and meet its obligations on due date.

Note 45: Others:

The Indian Parliament has approved the Code on Social Security, 2020. This has also received the consent of the Hon'ble President of India. The Code when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The effective date(s) of implementation of this Code is yet to be notified and the rules for quantifying the financial impact are yet to be framed. In view of this, any impact due to the change will be assessed and accounted for in the period of notification of the relevant provisions.

Note 46: The disclosure required to be made in terms of Schedule V of SEBI (Listing Obligation And Disclosure Requirement) 2015 is not applicable to the company.

As per our Report of even date attached

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

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai, April 26, 2021

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vivek Sharma
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No: ACS34515

Harish Kumar
Chief Financial Officer
ICAI M.No: 534449

Varanasi, April 26, 2021

Independent Auditor's Report

To
The Members of **INDITRAVEL LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Indi Travel Limited ('the Company'), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement Of Changes In Equity and the Statement of Cash Flows and for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Emphasis of matter(s)

We draw attention to:

a)Note 36 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, intangible assets, investments, trade receivables valuation as at March 31, 2021 being considered recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID19 pandemic.

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

Independent Auditor’s Report (Contd.)

Information Other than the Financial statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management’s Responsibility for the Financial statements

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

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

The Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our

Independent Auditor's Report (Contd.)

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   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.

Independent Auditor's Report (Contd.)

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

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

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(Chandrashekhar Iyer)
Partner
Membership No.47723
UDIN: 21047723AAAABG9993

Place: Mumbai
Date: April 12, 2021

Annexure ‘A’ to the Independent Auditor’s Report

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

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

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

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

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

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

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

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

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

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

b. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax, Goods and Service Tax (GST) customs duty, excise duty were outstanding, as at March 31, 2021 for a period of more than six months from the date they became payable.

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

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

Annexure ‘A’ to the Independent Auditor’s Report (Contd.)

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

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

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

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

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

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

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

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

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

For Chandrashekar Iyer & Co

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

(Chandrashekhar Iyer)
Partner
Membership No.47723
UDIN: 21047723AAAABG9993

Place: Mumbai
Date: April 12, 2021

Annexure "B" to the Independent Auditor's Report

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indi Travel Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Annexure 'B' to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Chandrashekhar Iyer)
Partner
Membership No.47723
UDIN: 21047723AAAABG9993

Place: Mumbai
Date: April 12, 2021

Balance Sheet as at March 31, 2021

₹ in Lakhs

Particulars	Note	March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	1,20,07,412	1,22,14,789
Investment Property {refer note 33}		24,40,231	24,82,190
Intangible assets	4	7,128	7,128
		1,44,54,771	**1,47,04,107**
Financial assets			
Investments	5	6,99,76,890	7,46,68,450
Income Tax Assets		4,02,59,814	4,01,12,354
Other Financial Assets		20,000	20,000
Deferred Tax Assets (Net)	7	39,85,401	29,79,429
Total non-current assets		**12,86,96,877**	**13,24,84,340**
Current assets			
Financial assets			
Trade receivables	8	-	-
Cash and cash equivalents	9	32,93,690	8,35,659
Bank balances other than cash and cash equivalents	10	3,42,62,192	4,05,94,258
Loans	6	5,95,706	8,13,858
Other current assets		16,164	-
Total current assets		**3,81,67,751**	**4,22,43,775**
Total		**16,68,64,628**	**17,47,28,115**
Equity and liabilities			
Equity			
Equity share capital	11	72,00,120	72,00,120
Other equity	12	15,43,32,940	16,16,39,405
Total equity		**16,15,33,060**	**16,88,39,525**
Non-current liabilities			
Financial liabilities			
Provisions	13	22,04,405	28,74,353
Total non-current liabilities		**22,04,405**	**28,74,353**
Current Liabilities			
Financial liabilities			
Trade payables	14	15,20,004	16,61,333
Other current liabilities	15	40,355	3,81,055
Provisions	13	15,66,804	9,71,849
Total current liabilities		31,27,163	30,14,237
Total		**16,68,64,628**	**17,47,28,115**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements from 1 to 38
For and on behalf of the Board
As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

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

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Himanshu Jain
Director
DIN: 06890639

Place: Mumbai
Dated: April 12, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ in Lakhs

Particulars	Note	March 31, 2021	March 31, 2020
Income			
Revenue from operations		-	-
Other income	16	20,56,362	16,84,173
Total Income		**20,56,362**	**16,84,173**
Expenses			
Employee benefit expense	17	33,08,007	37,38,592
Depreciation and amortisation expense		6,588	47,754
Other operating and general expenses	18	7,08,579	13,07,865
Total Expenses		**40,23,174**	**50,94,211**
Profit/ (Loss) before exceptional items and tax		**(19,66,812)**	**(34,10,038)**
Exceptional items	19	(46,91,560)	1,57,34,027
Profit/ (Loss) before tax		(66,58,372)	1,23,23,989
Tax expense			
Current tax		-	12,50,000
Deferred tax		(10,05,972)	(9,79,648)
Short / (Excess) provision for the earlier years		-	-
Total		**(10,05,972)**	**2,70,352**
Profit/ (Loss) after tax for the year from continuing operations		(56,52,400)	1,20,53,637
Profit/ (Loss) from discontinuing operations	20	(19,02,312)	(26,46,805)
Tax credit of discontinuing operations			
Profit/ (Loss) including discontinuing operations (after tax)		**(75,54,713)**	**94,06,832**
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		2,48,247	(4,52,004)
		2,48,247	**(4,52,004)**
Total comprehensive Income for the period		**(73,06,466)**	**89,54,828**
Profit/ (Loss) for the period attributable to:			
Owners of the Company		(75,54,713)	94,06,832
Total Comprehensive Income for the period attributable to			
Owners of the Company		**(73,06,466)**	**89,54,828**
Earnings per share:			
Basic - (₹)		(10.49)	13.06
Diluted - (₹)		(10.49)	13.06
Face value per ordinary share - (₹)		10	10
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements from 1 to 38

For and on behalf of the Board

As per our report attached

For **Chandrashekar Iyer & Co.**

Chartered Accountants

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

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Himanshu Jain
Director
DIN: 06890639

Place: Mumbai
Dated: April 12, 2021

Statement of Cash Flows for the year ended March 31, 2021

₹ in Lakhs

	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash Flow From Operating Activities		
Profit Before Tax	(85,60,685)	96,77,184
Adjustments For:		
Depreciation and Amortisation	2,49,336	3,34,998
Profit on sale of investments	-	(1,31,64,840)
Interest Income	(19,85,792)	(15,38,059)
Sundry Credit balance written back	-	(1,46,114)
Provision for Diminution in value of long term Investments (reversal)	46,91,560	(25,69,187)
Provision for Employee Benefits	2,48,247	(4,52,004)
	32,03,351	**(1,75,35,206)**
Cash Operating Profit before working capital changes	(53,57,334)	(78,58,022)
Adjustments for (increase)/ decrease in operating assets:		
Inventories		
Trade Receivables		-
Short-term loans and advances	2,01,988	11,37,003
Loans and advances		-
Other Current Assets		-
Other Non-Current Assets	-	
	2,01,988	**11,37,003**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	(1,41,329)	29,133
Short term provisions	5,94,955	7,34,094
Long term provisions	(6,69,948)	(87,464)
Other Current Liabilities	(3,40,700)	3,27,630
	(5,57,022)	10,03,393
Cash Generated from Operating Activities	(57,12,367)	(57,17,626)
Direct Taxes (Paid)/ Refunded	(1,47,460)	(1,55,499)
Net Cash Generated From Operating Activities (A)	**(58,59,827)**	**(58,73,125)**
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment		(10,38,136)
Sale of Property, Plant and Equipment	-	-
Sale of current Investments	-	-
Purchase of long-term investment		3,44,05,700
Interest Received	19,85,792.00	10,18,854
Dividend Received		-
Fixed deposits matured	63,32,066	-
Fixed Deposit placed		(2,77,85,929)
Net Cash Generated/(Used) In Investing Activities (B)	**83,17,858**	**66,00,488**
Cash Flow From Financing Activities		
Long/ Short Term Deposits Refunded by companies		-
Long/ Short Term Deposits placed with companies		-
Dividend paid		-
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**24,58,031**	**7,27,363**
Cash and Cash Equivalents - Opening (Refer Note No.9)	8,35,659	1,08,296
Cash and Cash Equivalents - Closing (Refer Note No.9)	**32,93,690**	**8,35,659**
Summary of Significant Accounting Policies		

The accompanying notes form an integral part of the Financial Statements from 1 to 38

For and on behalf of the Board

As per our report attached

For **Chandrashekar Iyer & Co.**

Chartered Accountants

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

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Himanshu Jain
Director
DIN: 06890639

Place: Mumbai
Dated: April 12, 2021

Notes to the Financial Statements for the year ended March 31, 2021

Note 1: Corporate Information

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

Note 2: Statement of significant accounting policies

(a) Statement of compliance:

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

(b) Recent Indian Accounting Standards (Ind AS)

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

(c) Basis of preparation and presentation:

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

(d) Critical accounting estimates and judgements

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

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

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

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

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

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

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

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

e) Revenue recognition:

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

Interest

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

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(f) Property, Plant and Equipment:

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

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

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

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

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

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

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

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

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

(g) Intangible Assets:

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

Nature of Assets	Useful life adopted
Software and Licenses	6 years

(h) Impairment of assets:

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(i) Foreign Currency Translation:

Initial Recognition

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

Subsequent Recognition

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

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

(j) Non-current assets held for sale

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

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

(k) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

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

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

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

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

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

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

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

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

Contingent assets are not recognized in the financial statements.

(m) Employee Benefits

(i) Provident Fund:

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

rates of return prescribed by the Central Government and recognizes such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

(ii) Gratuity Fund

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

(iii) Compensated Absences

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

(iv) Other Employee Benefits

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

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

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

(o) Cash Flow Statement:

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

(p) Earnings Per Share:

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

(q) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

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 effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

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

Equity investments

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily 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.

    When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition

A financial liability is 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 de-recognition 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 and Loss.

Offsetting of financial instruments

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

Equity instruments

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ in Lakhs

Particulars	Improvements to leasehold buildings	Freehold Land	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
Cost						
At April 1, 2019	96,34,975	16,24,088	13,98,295	59,244	5,917	1,27,22,519
Additions	10,38,136	-				10,38,136
Adjustments						-
Disposals/ Transfer	-					-
At March 31, 2020	**1,06,73,111**	**16,24,088**	**13,98,295**	**59,244**	**5,917**	**1,37,60,655**
Additions						-
Adjustments						-
Disposals/ Transfer						-
At March 31, 2021	**1,06,73,111**	**16,24,088**	**13,98,295**	**59,244**	**5,917**	**1,37,60,655**
Depreciation						
At April 1, 2019	1,60,583	-	10,73,207	18,778	1,704	12,54,272
Charge for the year	1,61,827		1,24,646	4,695	426	2,91,594
Adjustments						-
Disposals	-					-
At March 31, 2020	**3,22,410**	**-**	**11,97,853**	**23,473**	**2,130**	**15,45,866**
Charge for the year	1,69,857	-	32,399	4,695	426	2,07,377
Adjustments						-
Disposals	-					-
At March 31, 2021	**4,92,267**	**-**	**12,30,252**	**28,168**	**2,556**	**17,53,243**
Net Block						
At March 31, 2020	1,03,50,701	16,24,088	2,00,442	35,771	3,787	1,22,14,789
At March 31, 2021	**1,01,80,844**	**16,24,088**	**1,68,043**	**31,076**	**3,361**	**1,20,07,412**

Note 4 : Intangible Assets (Acquired)

₹ in Lakhs

	Software	Total
Cost		
At April 1, 2019	50,955	50,955
Additions	-	-
Adjustments		-
Disposals	-	-
At March 31, 2020	**50,955**	**50,955**
Additions	-	-
Adjustments		-
Disposals	-	-
At March 31, 2021	**50,955**	**50,955**
Amortisation		
At April 1, 2019	42,382	42,382
Charge for the year	1,445	1,445
Adjustments		-
Disposals	-	-
At March 31, 2020	**43,827**	**43,827**
Charge for the year	-	-
Adjustments		-
Disposals	-	-
At March 31, 2021	**43,827**	**43,827**
Net Block		
At March 31, 2020	**7,128**	**7,128**
At March 31, 2021	**7,128**	**7,128**

Note 5 : Investments

₹ in Lakhs

Non Current Investments	March 31, 2021		March 31, 2020	
	Holdings As at	₹	Holdings As at	₹
Fully Paid Unquoted Equity Instruments				
Investments in Other companies (At Cost)				
Taj Trade & Transport Compnay Ltd shares of Rs 10/- each fully paid-up	5,50,766	2,83,11,373	5,50,766	2,83,11,373
Taj Safaris Ltd of Rs 10/- each, fully paid-up **	1,11,70,380	11,17,03,800	1,11,70,380	11,17,03,800
	1,17,21,146	**14,00,15,173**	**1,17,21,146**	**14,00,15,173**
Total Non-current Investments - Gross		14,00,15,173		14,00,15,173
Less: Provision for Diminution in value of Investments **		(7,00,38,283)		(6,53,46,723)
Total Non-current Investments - Net		**6,99,76,890**		**7,46,68,450**
Footnotes:				
1) Aggregate of Unquoted Investments - Gross		14,00,15,173		14,00,15,173
2) Aggregate amount of impairment in value of investments		(7,00,38,283)		(6,53,46,723)
3) * These companies are the fellow subsidiaries of Inditravel limited				
4) ** Provision for diminution in value has been made on the basis of fair valuation of the shares of the company				

Note 6 : Loans

₹ in Lakhs

	March 31, 2021	March 31, 2020
A) Current		
(Unsecured, considered good unless stated otherwise)		
Loans and Advances to Employees	-	18,000
Interest Receivable	5,95,706	7,95,858
Others:		
Considered Doubtful	72,32,200	72,32,200
	78,27,906	**80,46,058**
Less:		
Provision for Doubtful Advances	(72,32,200)	(72,32,200)
	5,95,706	**8,13,858**

Note 7 : Deferred Tax Assets / (Liabilities) (Net)

₹ in Lakhs

	March 31, 2021	March 31, 2020
Deferred Tax Assets:		
Provision for Employee Benefits	3,97,745	3,91,817
MAT Credit Entitlement	12,50,000	12,50,000
Others	30,40,645	17,53,543
Total (B)	**46,88,390**	**33,95,360**
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	7,02,989	4,15,931
Total (A)	**7,02,989**	**4,15,931**
Net Deferred Tax Assets /(Liabilities) (A-B)	**39,85,401**	**29,79,429**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 8 : Trade receivables

₹ in Lakhs

	March 31, 2021	March 31, 2020
Exceeding six months from the date they were due for payment:		
Considered Good	-	-
Considered doubtful	78,07,181	78,07,181
	78,07,181	**78,07,181**
Less: Provision for Debts doubtful of recovery	(78,07,181)	(78,07,181)
	-	-

Note 9 : Cash and Cash Equivalents

₹ in Lakhs

	March 31, 2021	March 31, 2020
Balances with bank in current account	32,93,690	8,35,659
	32,93,690	**8,35,659**

Note 10 : Bank Balances Other than Cash and Cash Equivalents

₹ in Lakhs

	March 31, 2021	March 31, 2020
Other Balances with banks		
Call and Short-term deposit accounts more than 3 months and less than 12 months	3,42,62,192	4,05,94,258
	3,42,62,192	**4,05,94,258**

Note no. 11 : Share capital consist of the following

₹ in Lakhs

	March 31, 2021	March 31, 2020
SHARE CAPITAL		
1 Authorised Share capital		
a) Equity Shares		
750000 (Previous Year 750000) Equity Shares of Rs. 10 each	75,00,000	75,00,000
b) Preference Shares		
12000000 (Previous Year 12000000) 6 % Cumulative Optionally Convertible Preference Shares of Rs. 10 each	12,00,00,000	12,00,00,000
c) Unclassified Shares		
17250000 (Previous Year 17250000) Unclassified Shares of Rs. 10 each	17,25,00,000	17,25,00,000
	30,00,00,000	**30,00,00,000**
2 Issued, Subscribed and Paid up		
a) Equity Shares		
720012 (Previous Year 720012) Equity Shares of Rs. 10 each fully paid	72,00,120	72,00,120
	72,00,120	**72,00,120**

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

₹ in Lakhs

Name of the Company	March 31, 2021		March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity share of Rs 10/-each fully paid				
The Indian Hotels Company Limited	3,39,009	47.09%	3,39,009	47.09%
Taj Trade and Transport company Limited	72,001	10.00%	72,001	10.00%
Piem Hotels Limited	1,89,002	26.25%	1,89,002	26.25%
Taj Enterprises Limited	72,000	10.00%	72,000	10.00%

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

₹ in Lakhs

	March 31, 2021		March 31, 2020	
	No. of Shares	₹	No. of Shares	₹
Opening Balance	7,20,012	72,00,120	7,20,012	72,00,120
Add: Issued during the year	-	-	-	-
Less: Redeeemed / Bought Back	-	-	-	-
Closing Balance	**7,20,012**	**72,00,120**	**7,20,012**	**72,00,120**

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

₹ in Lakhs

Name of the Company	March 31, 2021		March 31, 2020	
	No. of Shares	holding	No. of Shares	holding
Shares held by Ultimate Holding Company				
The Indian Hotels Company Limited	3,39,009	47.09%	3,39,009	47.09%
	3,39,009	**47.09%**	**3,39,009**	**47.09%**
Shares held by Subsidiary of Ultimate Holding Company				
Piem Hotels Limited	1,89,002	26.25%	1,89,002	26.25%
Taj Trade and Transport Company Limited	72,001	10.00%	72,001	10.00%
Taj Enterprises Limited	72,000	10.00%	72,000	10.00%
Northen Indian Hotels Limited	24,000	3.33%	24,000	3.33%
	3,57,003	**49.58%**	**3,57,003**	**49.58%**

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note: 12 Statement of Changes in Equity

₹ in Lakhs

Particulars	Equity Share Capital Subscribed	Other Equity				Total
		Reserves and Surplus				
		Capital Reserve	General Reserve	Other reserves	Retained Earnings	
Balance as at March 31, 2019	72,00,120	15,50,000	5,19,18,242	12,00,00,000	(2,07,83,665)	15,98,84,697
Profit for the year ended March 31, 2020					94,06,832	94,06,832
Other Comprehensive Income for the year ended March 31, 2020, net of taxes, (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax					(4,52,004)	(4,52,004)
Total Comprehensive Income for the year ended March 31, 2020	-	-	-	-	89,54,828	89,54,828
Balance as at March 31, 2020	**72,00,120**	**15,50,000**	**5,19,18,242**	**12,00,00,000**	**(1,18,28,837)**	**16,88,39,525**
Profit for the year ended March 31, 2021					**(75,54,713)**	**(75,54,713)**
Other Comprehensive Income for the year ended March 31, 2021, net of taxes, (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax					2,48,247	2,48,247
Total Comprehensive Income for the year ended March 31, 2021	-	-	-	-	**(73,06,466)**	**(73,06,466)**
Balance as at March 31, 2021	**72,00,120**	**15,50,000**	**5,19,18,242**	**12,00,00,000**	**(1,91,35,302)**	**16,15,33,060**

Note 13: Provision

₹ in Lakhs

	March 31, 2021	March 31, 2020
A) Long term provisions		
Employee Benefit Obligation (Non-current)		
Leave Encashment	5,51,146	3,98,128
Gratuity	16,53,259	24,76,225
	22,04,405	**28,74,353**
B) Short term provisions		
Employee Benefit Obligation (Current)		
Leave Encashment	2,12,114	1,55,436
Gratuity	13,54,690	8,16,413
	15,66,804	**9,71,849**

Note 14: Trade Payables

₹ in Lakhs

	March 31, 2021	March 31, 2020
Micro and Small Enterprises (Refer Note No 27)	-	-
Vendor Payables	71,649	99,756
Accrued expenses and others	14,48,355	15,61,577
	15,20,004	**16,61,333**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 15 : Other Current Liabilities

₹ in Lakhs

	March 31, 2021	March 31, 2020
Current		
Statutory dues	34,998	38,755
Related Parties	5,357	3,18,300
Others	-	24,000
	40,355	**3,81,055**

Note 16 : Other Income

₹ in Lakhs

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Interest Income on		
Deposits with banks (Tax deducted at source ₹ 1,07,245/- (Previous Year ₹ 1,52,380/-)	19,85,792	15,36,184
Others	-	1,875
Total	**19,85,792**	**15,38,059**
Dividend received on Investment carried at cost		
Dividend Income - Current Investment	-	-
Miscellaneous Income	70,570	1,46,114
Total	**20,56,362**	**16,84,173**

Note 17 : Employee Benefit Expense and Payment to Contractors

₹ in Lakhs

	March 31, 2021	March 31, 2020
Salaries, Wages, Bonus etc.	24,74,744	31,17,383
Company's Contribution to Provident and Other Funds	7,92,978	4,74,619
Staff Welfare Expenses	40,285	1,46,590
Total	**33,08,007**	**37,38,592**

Note 18 : Other Operating and General Expenses

₹ in Lakhs

	March 31, 2021	March 31, 2020
Rent Rates and Taxes	58,132	32,610
Insurance	1,37,502	1,97,902
Business Promotion Expenses	-	1,27,905
Printing and Stationery	-	1,274
Travelling and Conveyance Expenses	16,270	2,58,630
Legal and Professional Charges	3,13,070	4,15,486
Payment made to Statutory Auditors (Refer Footnote (i))	40,000	46,809
Miscellaneous Expenses	1,43,606	2,27,249
Total	**7,08,579**	**13,07,865**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

	March 31, 2021	March 31, 2020
(i) Payment made to Statutory Auditors:		
As auditors	40,000	40,000
For out-of pocket expenses	-	6,809
Total	**40,000**	**46,809**

Note 19: Exceptional Items

₹ in Lakhs

	March 31, 2021	March 31, 2020
a) Provision for Dimunition in Value of Investments	(46,91,560)	-
b) Reversal of Provision for Dimunition in Value of Investments	-	25,69,187
c) Profit on Sale of Investments	-	1,31,64,840
	(46,91,560)	**1,57,34,027**

Note 20 : Profit/ (Loss) on Discontinued Operations

₹ in Lakhs

	March 31, 2021	March 31, 2020
Income from discontinued operation		
Profit on Relinquishment of Land	-	-
Rental Income	-	-
Miscellaneous Income	-	-
	-	**-**
Expenses from discontinued operation		
Salaries, Wages, Bonus etc.	14,26,852	21,39,244
Rates and taxes	40,363	18,900
Repairs & Maintenance	1,85,319	60,867
Legal & Professional Expenses	-	1,05,000
Electricity	7,030	35,550
Depreciation	2,42,748	2,87,244
	19,02,312	**26,46,805**
Total	**(19,02,312)**	**(26,46,805)**

Note 21 : Contingent Liabilities:

₹ in Lakhs

Particular	March 31, 2021	March 31, 2020
Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	-	-
(i) Income tax demand under appeal	46,03,585	46,03,585
	46,03,585	**46,03,585**

Employee Related Matters

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

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

Note 22 : Deferred Tax:

Following are the major components of deferred tax (asset)/liability:

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Deferred tax Assets:		
Gratuity & Leave Encashment	3,72,319	3,91,817
Bonus	25,426	-
Unabsorbed Depreciation	19,64,314	16,75,543
Others	10,76,331	78,000
MAT credit entitlement	12,50,000	12,50,000
Total of Deferred tax assets (A)	**46,88,390**	**33,95,360**
Deferred tax liabilities:		
Depreciation on Fixed assets	(7,02,989)	(4,15,931)
Total of Deferred tax liabilities (B)	**(7,02,989)**	**(4,15,931)**
Deferred tax net - Assets / (Libilities) - (A-B)	**39,85,401**	**29,79,429**

Note 23 : Income Tax expenses recognised in the statement of Profit and loss a/c:

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Current Tax		
In respect of the current year	-	12,50,000
In respect of earlier years	-	-
	-	**12,50,000**
Deferred Tax		
In respect of the current year	(10,05,972)	2,70,352
MAT Credit	-	(12,50,000)
	(10,05,972)	**(9,79,648)**
Total tax expense recognised in the current year		
	(10,05,972)	**2,70,352**

Reconciliation of tax expense with the effective tax

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Profit/loss before tax (a)	**(85,60,685)**	**96,77,184**
Income tax rate as applicable (b)	**26.00%**	**26.00%**
Calculated Taxes based on above, without any adjustments for **deduction [(a) x (b)] - c**	(22,25,778)	25,16,068
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	-	-
Permanent disallowances	12,19,806	(34,77,362)
Others (Difference due to change in rate of tax)	-	-
Deferred tax liability no longer required	-	-
Deferred tax assets not created due to no probable certainty	-	9,42,786
Deferred tax assets reversed due to no probable certainty	-	-
Deferred tax assets no longer required	-	2,88,860
d	12,19,806	(22,45,716)
Tax for current year (c+d)	(10,05,972)	2,70,352
Prior year taxes as shown above	-	-
Income tax expense recognised in profit or loss	**(10,05,972)**	**2,70,352**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 24 : Particulars of earnings per share:

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Net profit /(loss) for the year as per the statement of profit and loss	(75,54,713)	94,06,832
Profit / (loss) to equity share holders	(75,54,713)	94,06,832
Weighted average number of equity shares	720,012	720,012
Nominal value per share	10	10
Earnings per share – Basic & Diluted	(10.49)	13.06

Note 25 : Closure of Units:

a) The Company discontinued its printing, electroplating and other operations and Car Hire division with effect from March 2001 and December 2014 respectively. As at March 31, 2021, the Company carried the following assets and liabilities of discontinued operations:

₹ in Lakhs

Particulars	March 31, 2021		March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Divisions				
Printing	-	-	-	-
Others	1,47,37,430	-	1,44,62,979	-
Car Hire	1,00,000	-	1,00,000	-
Total	**1,48,37,430**	**-**	**1,45,62,979**	**-**

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

The Company has incurred Loss of ₹ 19,02,312/-(Previous Year Profit of ₹ 26,46,805/-) from discontinued business, which is included in the Profit and Loss Account, break-up of which is given as under:

₹ in Lakhs

Particulars	March 31, 2021			March 31, 2020		
	Revenue	Expenses	Profit/(Loss)	Revenue	Expenses	Profit/(Loss)
Divisions						
Printing	-	-	-	-	-	-
Others	-	4,75,460	(4,75,460)	-	5,07,561	(5,07,561)
Car Hire		14,26,852	(14,26,852)		21,39,244	(21,39,244)
Total	**-**	**19,02,312**	**(19,02,312)**	**-**	**26,46,805**	**(26,46,805)**

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

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

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

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

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
(a) Principal amount due thereon remaining Unpaid to any supplier at end of each accounting year.	-	-
(b) Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c) The amount of interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f) The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually - paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note 28 : Employee Benefits

Applicable Disclosures as per IND AS19:

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

(A) Defined contribution plans

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

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Provident fund	2,02,722	2,58,608

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Non Funded

(C) Defined benefit plans(Gratuity) – as per actuarial valuation on March 31, 2021: -

Principal Actuarial Assumptions as at March 31, 2021.

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
(i) Amount to be recognized in Balance Sheet and Movement in net Liability		
Present Value of unfunded defined benefit obligation	30,07,949	32,92,638
Net (Assets)/ Liability	30,07,949	32,92,638
(ii) Expense recognized in Statement of Profit & Loss		
Current Service Cost	1,47,417	1,26,646
Interest Cost	1,91,815	1,85,686
Total	**3,39,232**	**3,12,332**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

	Particulars	March 31, 2021	March 31, 2020
(iii)	**Expense recognized in Other Comprehensive Income**		
	Remeasurements Due to:		
	Changes in financial assumptions	(41,630)	89,135
	Experience adjustments	(2,50,131)	2,89,173
	Adjustment to recognize the effect of asset ceiling	43,514	73,696
	Total	**(2,48,247)**	**4,52,004**
(iv)	**Reconciliation of Defined Benefit Obligation:**		
	Opening Defined Benefit Obligation	32,92,638	25,28,302
	Current Service Cost	1,47,417	1,26,646
	Interest Cost	1,91,815	1,85,686
	Remeasurements due to actuarial loss/(gain) arising from		
	Changes in financial assumption	-	-
	Experience adjustments	(2,48,247)	4,52,004
	Benefits Paid	(3,75,674)	-
	Closing Defined Benefit Obligation	**30,07,949**	**32,92,638**
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Contribution by Employer	3,75,674	-
	Benefit Paid	(3,75,674)	-
	Closing of Fair Value of Plan Assets	**-**	**-**
(vi)	**Actuarial Assumptions:**		
	Discount rate(p.a.) in %	6.85%	6.65%
	Salary escalation rate (p.a.) in %	7%	7%
	Pension Escalation Rate (p.a.) in %	-	-
	Annual Increase in Healthcare cost (p.a.)	-	-
	Mortality Table (LIC)	-	-

(vii) Sensitivity Analysis

	March 31, 2021	
	Discount Rate (%)	Salary Escalation Rate (%)
Impact of increase in 50 bps on DBO	(3.29)%	3.52%
Impact of decrease in 50 bps on DBO	3.54%	(3.30)%

		March 31, 2021	March 31, 2020
(viii)	**Data Summary:**		
	No. of Employees	7	10
	Total Salary	1,19,277	1,47,446
	Total Past Service	24.07	20.51
	Value of liability	30,07,949	32,92,638

(ix) Any other additional disclosure given in the report

Mortality Table * - Table 1

Mortality in Service - Table 1

Mortality in Retirement - NA

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

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

A. Holding Company	The Indian Hotels Company Limited
B. Subsidiaries of Holding Company	KTC Hotels Limited
	United Hotels Limited
	Roots Corporation Limited
	Piem Hotels Limited
	Taj Trade and Transport Company Limited
	Northern India Hotels Limited
	Taj Enterprises Limited
	Benares Hotels Limited
	Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
	Skydeck Properties and Developers Private Limited
	Sheena Investments Private Limited
	ELEL Hotels & Investments Limited
	Ideal Ice and Cold Storage Company Limited
	Taj International Hotels (H.K) Limited
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited - London
	IHMS LLC - San Francisco
	IHMS LLC - USA
	PIEM International Hotels (H.K) Limited
	BAHC 5
	United Overseas Holdings Inc.
	IHMS Hotels (SA) (Proprietary) Limited
	Goodhope Palace Hotels (Proprietary) Limited
C. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts Limited
	Taj SATS Air Catering Limited
	Taj Safaris Limited
	Kaveri Retreat & Resorts Limited
	Zarrenstar Hospitality Private Limited
	Taj Karnataka Hotels & Resorts Ltd
	Taj GVK Hotels & Resorts Ltd
	TAL Hotels & Resorts Ltd

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

₹ in Lakhs

Particulars	Holding Company		Subsidiaries of Holding Company	
	2020-21	2019-20	2020-21	2019-20
Sale of Long Term Investments	-	3,44,05,700	-	-
Sale or services received	-	1,19,646	-	13,166
Due from Current Account	-	-	5,357	3,18,300

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(E) Statement of material transactions:

₹ in Lakhs

Company name	March 31, 2021	March 31, 2020
Holding Company		
The Indian Hotels Company Limited		
Sales or Services	-	1,19,646
Subsidiaries of Holding Company		
Taj Trade & Transport Company Limited		
Sales or Services	-	5,496
Current Account Dues	5,357	3,18,300
PIEM Hotels Limited		
Sales or Services	-	7,670

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

₹ in Lakhs

Nature of Provision	Leave Encashment & Gratuity
Opening Balance	38,46,202
Additional provisioning	3,34,655
Amounts used during the year	-
Amounts reversed during the year	4,09,648
Closing Balance	**37,71,209**

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

Note 32 : P.Y. ₹ 4,63,57,077/-). During the year an additional provision for diminution in value of investments amounting to ₹ 46,91,560/- has been made in the existing provision based on fair valuation of the shares of the company and the same has been shown as an exceptional item in the Profit and Loss account.

Note 33 : The Company has investment in property amounting to ₹ 24,40,231/- (PY ₹ 24,82,190/-) where the right to title is executed through registered power of attorney.

Note 34 : Additional information:

₹ in Lakhs

Sr No.	Particulars	March 31, 2021	March 31, 2020
(i)	Value of imports on CIF basis	Nil	Nil
(ii)	Expenditure in Foreign Currency -		
	a. Passage and Travelling	Nil	Nil
	b. Professional Fees	Nil	Nil
(iii)	Earnings in foreign exchange		
	a. Export - F.O.B. value	Nil	Nil

Note 35 : Sale of Services:

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Car Hire and Other services	Nil	Nil

Note 36 : The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. This being an unprecedented event which is difficult to estimate, the actual implications could vary. The economic/ social consequences of this event are impacting the very operation of the retail trade and consumer demand. However the management considers the impairment assessment of property, plant and equipment, intangible assets, investments, trade receivables valuation as at March 31, 2021 as recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID19 pandemic.

Note 37 : As at March 31, 2021, the company's current liabilities do not exceed its current assets. The Company also has enough Cash and Bank balances for the next 12 months to prevent disruption of the operating cash flows and enable the Company to meet its debts and obligations as they fall due.

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

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

Signature to Notes Forming Part of Financial Statements 1 to 38
For and on behalf of the Board
As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer	**Faisal Momen**	**Nabakumar Shome**	**Himanshu Jain**
Partner	Director	Director	Director
Membership No. 047723	DIN: 00064878	DIN: 03605594	DIN: 06890639
Firm Registration No. 114260W			

Place: Mumbai
Dated: April 12, 2021

Independent Auditor's Report

To
The Members of **IDEAL ICE & COLD STORAGE COMPANY LIMITED**

Report on the Ind AS Financial Statements Opinion

We have audited the accompanying Ind AS financial statements of IDEAL ICE & COLD STORAGE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) In the case of Balance Sheet, the state of affairs of the Ind AS Company as at March 31, 2021;

(ii) In the case of the Statement of Profit and Loss including other comprehensive income, of the loss for the period ended on that date;

(iii) In case of the Statement of Cash Flows, of the cash flows for the period ended on that date;

Basis of Opinion

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

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the information other than the Ind AS Financial Statements and Auditor's Report thereon. The Other Information comprises the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Ind AS Financial Statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein; we are required to communicate the matters to those charged with governance. We have nothing to report in this regard.

Emphasis of Matter

1. We draw your attention to Note no.2 (1b). The financial statements have been prepared on the assumption that the Company is not a going concern. All assets and liabilities are at net realizable value. Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Contd.)

2. We draw attention to Note 18 to the financial statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's activities and results as assessed by the management. Our opinion is not modified in respect of this matter.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibility on the Audit of the Ind AS Financial Statements

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

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

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

Independent Auditor's Report (Contd.)

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.

Report on Other Legal and Regulatory Requirements

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

(ii) As required by sub-section (3) of section 143 of the Act we, report that:

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

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

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

(d) In our opinion, the aforesaid Ind AS Financial Statements comply with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year, therefore the provisions of Section 197 read with Schedule V of the Act is not applicable. 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:-

Independent Auditor's Report (Contd.)

(i) The Company does not have any pending litigations which would impact its financial position in its Ind AS Financial Statements.

(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No.003741
UDIN:- 21003741AAAAGL8082

Place: Mumbai
Date: April 20, 2021

Annexure A

referred to in paragraph 7 of our Report of even date to the members of on the Ind AS Financial Statements of the company for the year ended March 31, 2021

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) The Company did not hold any fixed assets during the year under report. Accordingly, provisions of paragraph 3 clause (i)(a), (b) and (c) of the Order are not applicable.

(ii) The Company has no inventories and therefore, question of its physical verification does not arise.

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

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, provided any guarantees and security to its directors and any other entities in which the directors are interested and therefore question of complying with the provisions of section 185 and 186 of Companies Act, 2013 does not arise.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

(vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added tax, Goods and Services Tax, Cess and any other statutory dues, as applicable, with appropriate authorities in India. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) To the best of our knowledge and belief and according to the information and explanations given and from the records made available to us, there are no disputed amounts in case of dues of Income Tax, Sales Tax, Service Tax, Duty of Custom or Duty of Excise, Value added tax, Goods and Services Tax and Cess which are unpaid as of March 31, 2021.

(viii) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not availed of any loans from any financial institutions or bank or debenture holder.

(x) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, by its officers or employees nor the same has been noticed or reported during the course of our audit. We have also not been informed of any such instance by the Management.

(xiii) According to the records of the Company examined by us and as per the information and explanations given to us, all the transactions with the related party are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards-Refer Point 15.

(xv) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

Annexure A (Contd.)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we have not reported on item nos. (ix), (xi), (xii), (xiv) and (xvi) of (CARO), 2016 as the same are not applicable to the company.

For **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration Number: 102082W

Damji Merchant
Partner
Membership Number: 003741
UDIN:- 21003741AAAAGL8082

Place: Mumbai
Date: April 20, 2021

Annexure B

Referred to in paragraph 8(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on theInd ASFinancial Statements of Ideal Ice and Cold Storage Company Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Ind ASFinancial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Ideal Ice and Cold Storage Company Limited as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Annexure B (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration Number: 102082W

Damji Merchant
Partner
Membership Number: 003741
UDIN:- 21003741AAAAGL8082

Place: Mumbai
Date: April 20, 2021

Balance Sheet as at March 31, 2021

₹ in Lakhs

	Note	March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Financial assets			
Other Loans & Advances	3	216,443	216,443
		216,443	**216,443**
Current assets			
Financial assets			
Cash and cash equivalents	4	18,451	42,703
Bank balances other than cash and cash equivalents	5	129,825	129,825
Other Loans & Advances	3	2,682	2,682
		150,958	**175,210**
Total		**367,401**	**391,653**
Equity and liabilities			
Equity			
Equity share capital	6	9,796,540	4,500,000
Other equity	7	(17,800,413)	(17,426,430)
Total equity		**(8,003,873)**	**(12,926,430)**
Non-current liabilities			
Financial liabilities			
Borrowings	8	7,930,166	13,203,104
		7,930,166	**13,203,104**
Current Liabilities			
Financial liabilities			
Trade payables	9	426,108	114,979
Other current liabilities	10	15,000	-
		441,108	**114,979**
Total		**367,401**	**391,653**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report attached
For **Damji Merchant & Company**
Chartered Accountants

For and on behalf of the Board

Damji Merchant
Partner
M. No. 003741
Firm Registration No. 102082W

Faisal Momen
Director
DIN: 00064878

Himanshu Jain
Director
DIN: 06890639

Place: Mumbai
Dated: April 20, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ in Lakhs

	Note	March 31, 2021	March 31, 2020
Income			
Other income	11	45,036	8,355
Total Income		**45,036**	**8,355**
Expenses			
Other expenses	12	419,019	9,990
Total Expenses		**419,019**	**9,990**
Profit/ (Loss) before exceptional items and tax		**(373,983)**	**(1,635)**
Exceptional items		-	-
Profit/ (Loss) before tax		**(373,983)**	**(1,635)**
Tax expense			
Current tax		-	-
Short / (Excess) provision for the earlier years		-	
Deferred tax			
Total		**-**	**-**
Profit/ (Loss) after tax		(373,983)	(1,635)
Other comprehensive income, net of tax			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive Income for the period		**(373,983)**	**(1,635)**
Profit/ (Loss) for the period attributable to:			
Owners of the Company		(373,983)	(1,635)
Total Comprehensive Income for the period attributable to			
Owners of the Company		(373,983)	(1,635)
Earnings per share:			
Basic - (₹)		(0.04)	(0.00)
Diluted - (₹)		(0.04)	(0.00)
Face value per ordinary share - (₹)		10	10

The accompanying notes form an integral part of the financial statements

As per our report attached
For **Damji Merchant & Company**
Chartered Accountants

For and on behalf of the Board

Damji Merchant
Partner
M. No. 003741
Firm Registration No. 102082W

Faisal Momen
Director
DIN: 00064878

Himanshu Jain
Director
DIN: 06890639

Place: Mumbai
Dated: April 20, 2021

Statement of Cash Flows for the year ended March 31, 2021

₹ in Lakhs

	March 31, 2021	March 31, 2020
Cash Flow From Operating Activities		
Profit Before Tax	(373,983)	(1,635)
Adjustments For:		
Interest Income	(6,946)	(8,355)
	(6,946)	**(8,355)**
Cash Operating Profit before working capital changes	(380,929)	(9,990)
Adjustments for (increase)/ decrease in operating assets:		
Loans and advances	-	-
	-	-
Adjustments for increase/ (decrease) in operating liabilities:		
Loans and advances	23,602	
Other Current Liabilities	15,000	
Trade payables	311,129	(50,693)
	349,731	**(50,693)**
Cash Generated from Operating Activities	(31,198)	(60,683)
Direct Taxes (Paid)/ Refunded	-	-
Net Cash Generated From Operating Activities (A)	**(31,198)**	**(60,683)**
Cash Flow From Investing Activities		
Sale of Non-current Investments		
Purchase of long-term investment (Refer Footnote)		
Interest Received	6,946	8,355
Net Cash Generated/(Used) In Investing Activities (B)	**6,946**	**8,355**
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	-	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(24,252)**	**(52,328)**
Cash and Cash Equivalents - Opening	42,703	95,032
Cash and Cash Equivalents - Closing	18,451	42,703

The accompanying notes form an integral part of the financial statements

As per our report attached
For **Damji Merchant & Company**
Chartered Accountants

For and on behalf of the Board

Damji Merchant
Partner
M. No. 003741
Firm Registration No. 102082W

Faisal Momen
Director
DIN: 00064878

Himanshu Jain
Director
DIN: 06890639

Place: Mumbai
Dated: April 20, 2021

Notes to the Financial Statements for the year ended March 31, 2021

Note 1: Corporate Information

Ideal Ice and Cold Storage Co. Ltd is incorporated and domiciled in India and has its registered office at Mandlik House, Mandlik Road, Colaba, Mumbai 400 001.

Note 2.1: Significant accounting policies

(a) Statement of compliance:
The Financial Statements of the Company have been prepared in accordance schedule III of companies Act, 2013 and comply with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on the assumption that the Company is not a going concern and accordingly all assets and liabilities are at net realizable value recognized.

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

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

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

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

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

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

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

d) Revenue recognition:

Interest

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

Other Income is accounted for an accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

(e) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

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

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

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

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

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

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

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

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

Contingent assets are not recognized in the financial statements.

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

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

(h) Cash Flow Statement:

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

(i) Earnings Per Share:

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

(j) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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 effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

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

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

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

De-recognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily 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.

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

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

De-recognition

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 de-recognition 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 and Loss.

Offsetting of financial instruments

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

Equity instruments

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 : Loans

₹ in Lakhs

	March 31, 2021	March 31, 2020
Non Current		
Other loans and advances	-	-
Advance income tax paid (net of provision for tax)	216,443	216,443
	216,443	**216,443**
Current		
Interest Receivable	2,682	2,682
	2,682	**2,682**

Note 4 : Cash and Cash Equivalents

₹ in Lakhs

	March 31, 2021	March 31, 2020
Balances with bank in current account	18,451	42,703
	18,451	**42,703**

Note 5 : Bank Balances Other than Cash and Cash Equivalents

₹ in Lakhs

	March 31, 2021	March 31, 2020
Other Balances with banks		
Call and Short-term deposit accounts more than 3 months and less than 12 months	129,825	129,825
	129,825	**129,825**

Note 6 : SHARE CAPITAL

The Authorised, Issued, Subscribed and Fully paid - up share capital comprises of Equity shares having a par value of Rs 100/- each as follows:

₹ in Lakhs

		March 31, 2021	March 31, 2020
SHARE CAPITAL			
1	**Authorised Share capital**		
a)	Equity Shares		
	11,00,000 (Previous Year 4,00,000) Equity Shares of Rs 10 each	11,000,000	4,000,000
b)	Preference Shares		
	(Previous Year 5,000) 8% Non-Cumulative Preference Shares of Rs 10 each	-	500,000
		11,000,000	**4,500,000**
2	**Issued, Subscribed and Paid up**		
a)	Equity Shares		
	9,79,654 (Previous Year 4,00,000) Equity Shares of Rs. 10 each fully paid.	9,796,540	4,000,000
b)	Preference Shares		
	(Previous Year 5,000) 8% Non-Cumulative Preference Shares of Rs 10 each	-	500,000
		9,796,540	**4,500,000**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

₹ in Lakhs

Name of the Company	March 31, 2021				March 31, 2020			
	Equity Share Capital		Preference Share Capital		Equity Share Capital		Preference Share Capital	
	No. of Shares Held By	% of Hodling	No. of Shares Held By	% of Hodling	No. of Shares Held By	% of Hodling	No. of Shares Held By	% of Hodling
Taida Trading and Industries Ltd.	-	-	-	-	219,996	55.00%	2,500	50.00%
Sudheer Bahl	-	-	-	-	180,004	45.00%	-	-
Rashmi Bahl	-	-	-	-	-	-	2,500	50.00%
The Indian Hotels Company Limited	979,654	100.00%			-	-		0.00%
TOTAL	**979,654**	**100.00%**	**-**	**-**	**400,000**	**100.00%**	**5,000**	**100.00%**

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

₹ in Lakhs

Name of the Company	March 31, 2021				March 31, 2020			
	Equity		Preference		Equity		Preference	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
Opening Balance	400,000	4,000,000	5,000	500,000	400,000	4,000,000	5,000	500,000
Add: Issued during the year	579,654	5,796,540	-	-	-	-	-	-
Less: Redeeemed / Bought Back	-	-	5,000	500,000	-	-	-	-
Closing Balance	**979,654**	**9,796,540**	**-**	**-**	**400,000**	**4,000,000**	**5,000**	**500,000**

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

₹ in Lakhs

Name of the Company	March 31, 2021				March 31, 2020			
	Equity Share Capital		Preference Share Capital		Equity Share Capital		Preference Share Capital	
	No. of Shares	% of Hodling	No. of Shares	% of Hodling	No. of Shares	% of Hodling	No. of Shares	% of Hodling
Shares held by Holding Company								
Taida Trading and Industries Ltd.	-	-	-	-	219,996	55.00%	2,500	50.00%
	-	-	-	-	219,996	55.00%	2,500	50.00%
Shares held by Others								
Sudheer Bahl	-	-	-	-	180,004	45.00%	-	-
Rashmi Bahl	-	-	-	-	-	-	2,500	50.00%
TOTAL	**-**	**-**	**-**	**-**	**180,004**	**45.00%**	**2,500**	**50.00%**

Note 7: Other Equity

₹ in Lakhs

Particulars	Equity Share Capital Subscribed	Other Equity		Total
		Reserves and Surplus		
		Capital Reserve	Retained Earnings	
Balance as at March 31, 2019	4,500,000	226,903	(17,651,698)	(12,924,795)
Profit for the year ended March 31, 2020			(1,635)	(1,635)
Other Comprehensive Income for the year ended March 31, 2020, net of taxes, (excluding actuarial gain/ losses, given below)				-
Total Comprehensive Income for the year ended March 31, 2020	-	-	(1,635)	(1,635)
Balance as at March 31, 2020	**4,500,000**	**226,903**	**(17,653,333)**	**(12,926,430)**
Profit for the year ended March 31, 2021			(373,983)	(373,983)
Other Comprehensive Income for the year ended March 31, 2020, net of taxes, (excluding actuarial gain/ losses, given below)				-
Remeasurements of post employment benefit obligation, net of tax				
Total Comprehensive Income for the year ended March 31, 2021	**-**	**-**	**(373,983)**	**(373,983)**
Shares issued during the year	5,796,540			5,796,540
Shares redeemed	(500,000)			(500,000)
Balance as at March 31, 2021	**9,796,540**	**226,903**	**(18,027,316)**	**(8,003,873)**

Note 8 : Borrowings

₹ in Lakhs

	March 31, 2021	March 31, 2020
Long term borrowings		
Loans and advances (Unsecured)		
From Related Party	7,261,708	12,558,246
Others	668,458	644,858
	7,930,166	**13,203,104**
Total Long term borrowings	**7,930,166**	**13,203,104**

Note 9: Trade Payables

₹ in Lakhs

	March 31, 2021	March 31, 2020
Accrued expenses and others	426,108	114,979
	426,108	**114,979**

Note 10: Other Current Liability

₹ in Lakhs

	March 31, 2021	March 31, 2020
Statutory Liabilities	15,000	-
	15,000	**-**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 11 : Other Income

₹ in Lakhs

	March 31, 2021	March 31, 2020
Interest Income	6,946	8,355
Miscellaneous Income	38,090	-
Total	**45,036**	**8,355**

Note 12 : Other expenses

₹ in Lakhs

	March 31, 2021	March 31, 2020
Other expenses consist of the following:		
Legal and Professional Charges	384,200	3,500
Payment made to Statutory Auditors (Refer Footnote (i))	5,900	5,900
Rates and Taxes	28,320	-
Miscellaneous Expenses	599	590
Total	**419,019**	**9,990**

Footnotes:

(i) Payment made to Statutory Auditors:

₹ in Lakhs

	March 31, 2021	March 31, 2020
As auditors	5,900	5,900
	5,900	**5,900**

12) The accumulated losses of the company is Rs.1,80,16,856/-as at March 31, 2021 which has eroded majority of shareholders fund. The company has been continuously incurring cash losses and continuation of the company as a going concern depends on continued operating commitments from promoters to fund the operations. The promoters have agreed to provide the required funds to carry on the operations of the company and fulfill its commitment.

13) The Accounting Standard AS 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India became mandatory with effect from April 01, 2002. The Company has unabsorbed depreciation and carry forward losses under Income Tax Laws on which it has not recognized deferred tax asset, since it may not have sufficient future taxable income against which the deferred tax asset can be realized.

14) The Company is a Small & Medium sized company (SMC) as defined in the general instructions in respect of Accounting Standard notified under the Companies Act, 2013. Accordingly the Company has complied with Accounting Standards as applicable to Small and Medium sized Company.

The Company has not transacted with any small-scale industries during the year. Accordingly, there are no balances due to small-scale industries.

Further, there are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The Small Scale Industrial Undertaking and Micro, Small and Medium Enterprises have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

15) Related Party Disclosure under Ind AS – 24, issued by the Institute of Chartered Accountants of India.

a. The names of related parties of the Company are as under:

A. Holding Company	The Indian Hotels Company Limited
B. Subsidiaries of Holding Company	KTC Hotels Limited
	United Hotels Limited
	Roots Corporation Limited
	Piem Hotels Limited
	Taj Trade and Transport Company Limited
	Inditravel Limited
	Northern India Hotels Limited
	Taj Enterprises Limited
	Benares Hotels Limited
	Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
	Skydeck Properties and Developers Private Limited
	Sheena Investments Private Limited
	ELEL Hotels & Investments Limited
	Taj International Hotels (H.K) Limited
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited - London
	IHMS LLC - San Francisco
	IHMS LLC - USA
	PIEM International Hotels (H.K) Limited
	BAHC 5
	United Overseas Holdings Inc.
	IHMS Hotels (SA) (Proprietary) Limited
	Goodhope Palace Hotels (Proprietary) Limited
C. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts Limited
	Taj SATS Air Catering Limited
	Taj Safaris Limited
	Kaveri Retreat & Resorts Limited
	Zarrenstar Hospitality Private Limited
	Taj Karnataka Hotels & Resorts Ltd
	Taj GVK Hotels & Resorts Ltd
	TAL Hotels & Resorts Ltd

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

b. The details of related parties' transactions during the year and outstanding balances as at March 31, 2021 are as follows

₹ in Lakhs

Particulars	Holding Company		Subsidiaries of Holding	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current account dues	(7,676,016)	(7,331,696)	23,600	23,194

c. Statement of material transactions

₹ in Lakhs

	March 31, 2021	March 31, 2020
Holding Company		
The Indian Hotels Company Ltd		
Lease Rentals for Hotel/Factory Premises		
Reimbursement of Deputed Staff Salary		
Reimbursement of Fuel, Power, Light Etc.		
Reimbursement of Laundry expenses		
Reimbursement of Other expenses		
Other Operating Income		
Current account dues		
Subsidiaries of Holding Company		
Piem Hotels Limited		
Lease Rentals for Hotel/Factory Premises		
Purchase of services		
Current account dues		
Inditravel Limited		
Other operating Income		
Current account dues		
St. James Courts Hotels Limited		
Current account dues		
Associates of Holding Company		
Oriental Hotels Ltd		
Lease Rentals for Hotel/Factory Premises		
Dividend Income - Non-Current Investment		
Reimbursement of Laundry expenses		
Reimbursement of Other expenses		
Current account dues		
Taida Trading and Industries Ltd.		
Current account dues		
Joint Ventures		
Kaveri Retreat & Resorts Limited- Corporate		
Lease Rentals for Hotel/Factory Premises		
Reimbursement of Fuel, Power, Light Etc.		
Reimbursement of Laundry expenses		
Reimbursement of Other expenses		
Current account dues		

16) Recent accounting pronouncements:

New Standard notified and adopted by the Company

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

17) Particulars of earnings per share:

Particulars	March 31, 2021	March 31, 2020
The Net profit/(loss) for the year as per the Statement of profit and loss	(3,73,983)	(1,635)
Profit/(loss) available to equity share holders	(3,73,983)	(1,635)
Weighted average number of equity shares	4,00,000	4,00,000
Nominal Value per share	10	10
Earnings per share – Basic & Diluted	(0.04)	(0.00)

18) Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business

The World Health Organization declared the COVID-19 (SARS-CoV-2) ("Coronavirus" or "Virus" or "Covid") outbreak to be a pandemic as a result of its rapid spread across the globe. With the increment of infected number of cases around the world, the Government of India has taken some precautionary actions such as Quarantine Measures and Lockdown all over the country which has adversely impacted, directly and indirectly, many sectors of the industry.

As the situations fast evolving, the effect of the outbreak of Coronavirus is subject to significant levels of uncertainty. The crisis was still unfolding, hence the full range of possible effects are unknown. The Company only has interest income from the Fixed Deposits with Bank and hence it is closely monitoring the impact of the developments on the Interest Rates. The future material impact of Coronavirus on the Company's Financial Position could be the risk of lower interest rates on Fixed Deposits with Bank which cannot be assessed quantitatively or qualitatively based on the information available till the report signing date.

In Management's view, the above factors support the assertion that the Company will have sufficient resources to continue for a future period. Management concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern.

No circumstances have arisen since reporting date till the report signing date which require adjustments to/or disclosure in the financial statements other than disclosed above

Signature to Notes 1 to 18

The accompanying notes form an integral part of the financial statements
As per our report attached
For **Damji Merchant & Company**
Chartered Accountants

For and on behalf of the Board

Damji Merchant
Partner
M. No. 003741
Firm Registration No. 102082W

Faisal Momen
Director
DIN: 00064878

Himanshu Jain
Director
DIN: 06890639

Place: Mumbai
Dated: April 20, 2021

Independent Auditor's Report

To
The Members of **KTC Hotels Limited**

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

Opinion

We have audited the accompanying standalone Ind-AS financial statements of KTC Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies along with the Notes forming part of the accounts and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sl. No	Key Audit Matter	Auditor's Response
1.	**Evaluation of uncertain tax positions** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 2.(i) and 19.1 to the Financial Statements	**Principal Audit Procedures** Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's position on these uncertainties
2.	**Recoverability of Indirect tax receivables** As at March 31, 2021, non-current assets represents Others-Balance with Government Authorities includes service tax recoverable amounting to ₹ 6,35,883 which are pending adjudication. Refer Note 5 to the Financial Statements.	**Principal Audit Procedures** We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution

Independent Auditor’s Report (Contd.)

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

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s Report including Annexures to the Director’s Report in the Annual Report of the Company for the financial year 2020-21, but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management’s Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether 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 mis-statement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent Auditor's Report (Contd.)

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

Independent Auditor's Report (Contd.)

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

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

   ii. The Company did not have any long term contracts including derivative contracts for which they have any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Varma and Varma**
Chartered Accountants
FRNNo:004532S

S. Raghunandan
Partner
M No. 23592

Place: Calicut
Date: April 30, 2021

Annexure 'A' to the Independent Auditor's Report

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

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

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

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

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

(iii) The Company has granted unsecured loan to a party covered in the register maintained under Section 189 of the Companies Act, 2013.

i. According to the information's and explanations given to us, there is no stipulation regarding the terms of payment and there are no overdue as at the end of the year.

ii. The loan given is not prejudicial to the interest of the Company

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loan given.

The Company has not made any investment or given any security or given any guarantee for which the provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.

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

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

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

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

Nature of the Statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Income tax Act 1961	Income Tax	*9,59,450/-	Assessment Year 2005 -06	CIT(Appeals), Kozhikode
Finance Act 1994	Service tax	22,47,062/-	Financial Year 2007 – 08 and 2008 –09	Office of the Commissioner of Central Excise, Customs and Service Tax(Appeals), Cochin

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

Annexure 'A' to the Independent Auditor's Report (Contd.)

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

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

(x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.

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

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

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in Note No. 19.3 to the financial statements as required by the applicable Accounting Standards.

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

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

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

For **Varma and Varma**
Chartered Accountants
FRNNo:004532S

S. Raghunandan
Partner
M No. 23592

Place: Calicut
Date: April 30, 2021

Annexure "B" to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of KTC Hotels Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management and Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Annexure 'B' to the Independent Auditor's Report (Contd.)

that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varma and Varma**
Chartered Accountants
FRNNo:004532S

S. Raghunandan
Partner
M No. 23592

Place: Calicut
Date: April 30, 2021

Balance Sheet as at March 31, 2021

(Amount in Rupees)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	28,704,287	29,338,087
		28,704,287	29,338,087
Income tax assets (Net)		76,641	137,912
Other non-current assets	5	635,883	635,883
Total non-current assets		**29,416,811**	**30,111,882**
Current assets			
Financial Assets			
i) Trade receivables	6	244,887	2,899,481
ii) Cash and cash equivalents	7(a)	10,747,259	10,357,189
iii) Bank Balances other than Cash and Cash Equivalents	7(b)	16,000,000	11,400,000
iv) Loans	8	152,300	152,300
v) Other financial assets	4	-	211,762
Other current assets	5	12,532	24,682
Total current assets		**27,156,978**	**25,045,415**
TOTAL ASSETS		**56,573,789**	**55,157,297**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	6,040,000	6,040,000
(b) Other Equity	10	22,654,341	20,731,493
Total equity		**28,694,341**	**26,771,493**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i) Borrowings	11	1,198,034	1,090,042
Deferred Tax Liabilities (Net)	12	5,711,930	5,821,400
Other non-current Liabilities	13	20,202,706	20,784,110
Total non-current liabilities		**27,112,670**	**27,695,552**
Current liabilities			
Financial Liabilities			
i) Trade payables	14	137,737	75,600
Other current liabilities	13	629,042	614,652
Total current liabilities		**766,779**	**690,252**
Total Liabilities		**27,879,449**	**28,385,804**
TOTAL EQUITY AND LIABILITIES		**56,573,790**	**55,157,297**
Accounting Policies	1-2		
Additional Information	19-29		

The accompanying notes form an integral part of the financial statements.

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

As per our report attached

For Varma & Varma
(FRN: 004532S)
Chartered Accountants

Gautam Sethi
Director
(DIN: 08571659)

Prabhat Verma
Director
(DIN: 06548864)

S. Raghunandan
Partner
M.No: 23592

Place: Bangalore
Date: April 28, 2021

Place: Calicut
Date: April 30, 2021

Statement of Profit and Loss for the year ended March 31, 2021

(Amount in Rupees)

Particulars	Note	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Income			
Revenue from operations	15	2,070,376	3,601,330
Other income	16	1,399,974	1,293,386
Total Income		**3,470,350**	**4,894,716**
Expenses			
Finance costs	17	107,992	91,300
Depreciation and Amortisation expenses	3	633,800	633,800
Other expenses	18	157,863	221,973
Total expenses		**899,655**	**947,073**
Profit / (Loss) before tax		**2,570,694**	**3,947,643**
Tax Expense			
(1) Current tax		757,317	1,100,000
(2) Deferred tax		(109,470)	(300,690)
Profit for the year		**1,922,847**	**3,148,333**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Total other comprehensive income (net of tax)		-	-
Total comprehensive income for the year		**1,922,847**	**3,148,333**
Profit / (Loss) after minority interest & share of associates			
Earnings per equity share - Basic and diluted (₹)		3.18	5.21
Weighted average number of equity shares		604000	604000
(face value of ₹ 10 each)			
Accounting Policies	1-2		
Additional Information	19-29		

The accompanying notes form an integral part of the financial statements.

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

As per our report attached

For Varma & Varma
(FRN: 004532S)
Chartered Accountants

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S. Raghunandan
Partner
M.No: 23592

Place: Bangalore
Date: April 28, 2021

Place: Calicut
Date: April 30, 2021

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share capital

	Note	Equity shares	Amount
Equity shares of ₹ 10 each issued at par, subscribed and fully paid-up			
As at March 31, 2019	9	604,000	6,040,000
Changes in equity share capital during 2019-20		-	-
As at March 31, 2021		**604,000**	**6,040,000**
Changes in equity share capital during 2021-21		-	-
As at March 31, 2021		**604,000**	**6,040,000**

B. Other equity

Particulars	Reserves and surplus		Total equity attributable to equity share share holders of the Company
	General Reserve	Retained Earnings	
As at March 31, 2019	**3,300,000**	**14,283,160**	**17,583,160**
Total comprehensive income for the year ended March 31, 2020			
Profit for the year	-	3,148,333	3,148,333
Other comprehensive income, net of taxes	-	-	-
Total comprehensive income	**-**	**3,148,333**	**3,148,333**
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
Dividend paid	-	-	-
Dividend tax	-	-	-
Total contributions by and distributions to owners	-	-	-
As at March 31, 2020	**3,300,000**	**17,431,493**	**20,731,493**
Total comprehensive income for the year ended March 31, 2021			
Profit for the year	-	1,922,847	1,922,847
Other comprehensive income, net of taxes	-	-	-
Total comprehensive income	**3,300,000**	**1,922,847**	**1,922,847**
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
Dividend paid	-	-	-
Dividend tax	-	-	-
Total contributions by and distributions to owners	**-**	**-**	**-**
As at March 31, 2021	**3,300,000**	**19,354,341**	**22,654,341**

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

As per our report attached

For Varma & Varma
(FRN: 004532S)
Chartered Accountants

Gautam Sethi
Director
(DIN: 08571659)

Prabhat Verma
Director
(DIN: 06548864)

S. Raghunandan
Partner
M.No: 23592

Place: Bangalore
Date: April 28, 2021

Place: Calicut
Date: April 30, 2021

Statement of Cash Flows for the year ended March 31, 2021

	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash flow from Operating Activities:-		
Net Profit before tax	2,570,694	3,947,643
Adjustments for:		
Depreciation and amortization	633,800	633,800
Finance Costs	107,992	91,300
Interest Income	(1,611,736)	(1,975,663)
Total Adjustments	**(869,944)**	**(1,250,563)**
Operating profit before working capital changes	**1,700,750**	**2,697,080**
Adjustments for:		
Trade receivables	2,654,594	(1,575,176)
Loans, other financial assets and other assets	819,941	997,740
Trade payables	62,137	-
Other financial liabilities, provisions and other liabilities	(1,324,331)	(1,711,404)
Cash generated from operating activities (A)	**3,913,092**	**408,241**
Income tax paid	(534,758)	(337,912)
Net cash from / (used) in operating activities	**3,378,334**	**70,329**
Cash flow from investing activities:		
Payment for purchase of Tangible Assets	-	-
Bank Balances other than Cash and Cash Equivalents	(4,600,000)	8,300,000
Interest income	1,611,736	1,975,663
Net Cash from / (used) In Investing Activities (B)	**(2,988,264)**	**10,275,663**
Cash flow from financing activities:		
Deposit from holding company	107,992	91,300
Inter corporate deposit given	(10,000,000)	-10,000,000
Inter corporate deposit refunded	10,000,000	10,000,000
Finance Costs	(107,992)	(91,300)
Dividends paid (including dividend distribution tax)	-	-
Net Cash from / (used) In Financing Activities (C)	**-**	**-**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**390,070**	**10,345,992**
Cash and cash equivalents at the beginning of the year	10,357,189	11,197
Cash and cash equivalents at the end of the year (Refer Note No:7a)	**10,747,259**	**10,357,189**
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	**390,070**	**10,345,992**

Significant Accounting Policies - See Note No.1 & 2

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

As per our report attached

For Varma & Varma
(FRN: 004532S)
Chartered Accountants

Gautam Sethi
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S. Raghunandan
Partner
M.No: 23592

Place: Bangalore
Date: April 28, 2021

Place: Calicut
Date: April 30, 2021

Notes to the Financial Statements for the year ended March 31, 2021

Note 1. Corporate Information

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

Note 2. Significant accounting policies

(a) Statement of Compliance

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

(b) Functional and presentation currency

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

(c) Basis of preparation of financial statements

These financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

(d) Critical accounting estimates and judgements

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

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

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

(e) Critical accounting estimates

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

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

b. Impairment testing

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

c. **Income Taxes**

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

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

d. **Litigation**

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

(f) Property, plant and equipment

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

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

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

(g) Depreciation

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

(h) Impairment of assets

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(i) Revenue recognition

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

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

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

(j) Assets taken on lease

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

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

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

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

(k) Income Taxes

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

(1) Current tax:

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

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

(2) Deferred Tax

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

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

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

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

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

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

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

(l) Borrowing Cost

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

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

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

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

(n) Cash and Cash Statement

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

(o) Earnings per share

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(p) Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de recognition is recognized in profit or loss.

Equity investments at FVOCI -These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de recognition is also recognized in profit or loss.

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(q) Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities pending in appeal for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which have remote chance for crystallisation are not provided for in accounts but disclosed by way of notes to the accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. Contingent assets are not recognised in the accounts but are disclosed by way of notes to the accounts.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3. Property, Plant & Equipments

Particulars	Land	Buildings	Total (A)+(B)
Gross carrying value			
Balance at April 1, 2019	4,252,675	39,971,450	44,224,125
Additions	-	-	-
Deletions	-	-	-
Balance at March 31, 2020	4,252,675	39,971,450	44,224,125
Balance at April 1, 2020	4,252,675	39,971,450	44,224,125
Additions	-	-	-
Deletions	-	-	-
Balance at March 31, 2021	**4,252,675**	**39,971,450**	**44,224,125**
Accumulated Depreciation			
Balance at April 1, 2019	-	14,252,238	14,252,238
Depreciation	-	633,800	633,800
Deletions	-	-	-
Balance at March 31, 2020	-	14,886,038	14,886,038
Balance at April 1, 2020	-	14,886,038	14,886,038
Depreciation	-	633,800	633,800
Deletions	-	-	-
Balance at March 31, 2021	**-**	**15,519,838**	**15,519,838**
Net carrying value as at March 31, 2021	**4,252,675**	**24,451,612**	**28,704,287**
Net carrying value as at March 31, 2019	4,252,675	25,085,412	29,338,087

Note 4. Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Security Deposits	-	-
	-	**-**
Current		
Interest Receivable - Others	-	211,762
	-	**211,762**
Total	**-**	**211,762**

Note 5. Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non current		
Unsecured, considered good		
Others-Balance with Government Authorities	635,883	635,883
	635,883	**635,883**
Current		
Unsecured, considered good		
Others-Balance with Government Authorities	12,532	24,682
	12,532	**24,682**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured		
Considered good	244,887	2,899,481
Considered doubtful	-	-
	244,887	**2,899,481**
Less: Allowances for bad and doubtful debts	-	-
Net Trade Receivables	**244,887**	**2,899,481**

Note 7(a). Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with bank in current accounts	10,747,259	10,357,189
	10,747,259	**10,357,189**

Note 7(b). Bank Balances other than Cash and Cash Equivalent

Particulars	As at March 31, 2021	As at March 31, 2020
Short term deposit accounts	16,000,000	11,400,000
	16,000,000	**11,400,000**

Note 8. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless stated otherwise)		
Others	152,300	152,300
	152,300	**152,300**

Note 9. Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Equity Share Capital		
Authorised		
15,00,000 (15,00,000) equity shares of ₹ 10/- each	15,000,000	15,000,000
(March 31, 2020: 15,00,000 Equity Shares of ₹ 10 each)		
(March 31, 2019: 15,00,000 Equity Shares of ₹ 10 each)		
	15,000,000	**15,000,000**
Equity share capital		
Issued, subscribed and paid-up		
Equity shares		
Face Value per ordinary share		
6,04,000 equity shares of ₹ 10/- each	6,040,000	6,040,000
(March 31, 2020: 6,04,000 Equity Shares of ₹ 10 each)		
(March 31, 2019: 6,04,000 Equity Shares of ₹ 10 each)		-
	6,040,000	**6,040,000**

The Company has only one class of shares referred to as equity shares having a par value of₹₹ 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reported period

Equity Shares	March 31, 2021	March 31, 2020
	No. of shares	No. of shares
At the beginning of the period	604,000	604,000
Issued during the period	-	-
Outstanding at the end of the period	**604,000**	**604,000**

(b) Details of shareholders holding more than 5% shares of the Company

Class of shares / Name of shareholder	March 31, 2021	March 31, 2020
	No. of shares	No. of shares
At the beginning of the period	604,000	100%

Note 10. Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Other Equity		
Reserves & Surplus		
General Reserve	3,300,000	3,300,000
Retained Earnings		
Balance at the beginning of the year	17,431,493	14,283,160
Profit as per Statement of Profit and Loss	1,922,847	3,148,333
Total	**19,354,341**	**17,431,493**
Total Reserves and Surplus	**22,654,341**	**20,731,493**
Other Comprehensive Income	-	-
Total Other Comprehensive Income	**-**	**-**
Total	**22,654,341**	**20,731,493**

Note 11. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
From Related Party		
Unsecured	1,198,034	1,090,042
Total	**1,198,034**	**1,090,042**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 12 : Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities:		
On excess of net book value over income tax written down value of fixed assets	5,711,930	5,821,400
Total (A)	**5,711,930**	**5,821,400**
Deferred Tax Assets:		
Provision for doubtful debts	-	-
Others	-	-
Total (B)		
Net Deferred Tax Liabilities (A-B)	**5,711,930**	**5,821,400**

Note 13. Other Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Advances		
Others	20,202,706	20,784,110
	20,202,706	**20,784,110**
Current		
Income Received in Advance	581,318	581,318
Statutory dues	42,474	33,334
Others	5,250	
	629,042	**614,652**

Note 14. Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer Note 14.1)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	137,737	75,600
	137,737	**75,600**

14.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to any supplier as at the end of the year	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

Note 15. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
License Fees	2,070,376	3,601,330
	2,070,376	**3,601,330**
Income from Operation is derived from the following services:		
Management & Operating Fees	2,070,376	3,601,330
	2,070,376	**3,601,330**

Note 16. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income - Intercorporate Deposits	823,562	179,596
Interest Income - Others	576,412	1,106,590
Interest on Income Tax refund	-	7,016
Excess provision written back		184
Total	**1,399,974**	**1,293,386**

Note 17. Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense on deposit	107,992	91,300
Total	**107,992**	**91,300**

Note 18. Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates and taxes	212	2,528
Payment to Auditors -		
i. Statutory Audit Fees	70,000	60,000
ii. Taxation Matters	5,000	15,000
Other expenses	82,651	144,445
	157,863	**221,973**

Note 19. Additional Information

19.1 Contingent liabilities and commitments (to the extent not provided for in the accounts)

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
I. Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debts		
Income Tax Demands disputed in Appeals not provided for AY 2005-06 (Refer note 19.1.a)	959,450.00	959,450.00
Income Tax refund for the AY 2020-21 reduced as per intimation u/s 143(1) pending rectification by the Income Tax Authorities	36,070.00	-
Service Tax Demands disputed in Appeals not provided for 2007-08 to 2008-09	2,247,062.00	2,247,062.00
(b) Bank Guarantee	Nil	Nil
(c) Other money for which the Company is contingently liable	Nil	Nil
II. Commitments		
a) Estimated amount of contracts remaining to be executed on capital account not provided for	Nil	Nil
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other Commitments	Nil	Nil

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 19.1.a

In respect of above, the company has good chance of getting orders in favour of the company and hence no provision is considered necessary at this stage.

19.2 Earnings Per Share (EPS)

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

Particulars	March 31, 2021	March 31, 2020
Profit/ (Loss) after tax	1,922,847	3,148,333
Number of Equity Shares:		
Weighted average number of equity share considered in calculation of EPS	604,000	604,000
Considered in calculation of diluted EPS	604,000	604,000
Face value per equity share	10	10
Earnings per share:		
Basic	3.18	5.21
Diluted	3.18	5.21

19.3 Disclosure of Related Party Transactions in accordance with IND AS 24 " Related Party Disclosures"

A. Related Party and Nature of Relationship:

(a) Key Management Personnel	i. Gautam Sethi ii. Ashok Binnani iii. Prabhat Varma
(b) Relatives of Key Management Personnel	Nil
c.) Enterprises over which the key managerial personnel and their relatives are able to exercise significant influence having transactions with the company	Nil

Particulars	Nature of Transactions	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Related Party Transactions			
Indian Hotels Company Ltd. (Holding Company)	License fee	2,070,376	3,601,330
	Receivables	244,887	2,899,481
	Loan/Deposit Given	10,000,000	10,000,000
	Loan/Deposit Refund Received	10,000,000	10,000,000
	Deposit		
	Outstanding Balance Payable	1,198,034.00	1,090,042.00
	Interest on Deposit	107,992.00	91,300.00

No amount has been provided/written off as doubtful debts or advances written back in respect of payables due from or to any of the above related parties.

Note 20. Financial instruments measurements and disclosures

Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks arising from financial instruments

- Credit risk
- Liquidity risk
- Market risk
- Interest Rate Risk
- Foreign Currency Risk
- Capital Management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations and arises principally from the company's receivables from customers and investments. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the company. The Company establishes a loss allowance that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company's risk exposure in investment is limited to investing in associates. The Company does not expect any losses from non-performance by these Associates.

The Company's risk exposure in loans is limited to loan to holding company, associates and group companies. The Company does not expect any losses from non-performance by these counter parties

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 Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 60 days. The company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market changes that affect market risk-sensitive instruments. Market risk is attributable to all market risk- sensitive financial instruments including foreign currency receivables and payables and loans and borrowings. There is no significant concentration of market risk within the company as the billings for the services rendered by the company are in home currency and further the borrowings/advance by the company are also at fixed rate.

Interest Rate Risk

Below is the sensitivity of profit or loss in interest rates for borrowings.

Particulars	Impact in Statement of Profit and Loss for 1% change	
Interest sensitivity	**March 31, 2021**	**March 31, 2020**
Change by 100 basis points (100 bps)		

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through equity and borrowings. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at March 31, 2021, the Company has only one class of equity shares and has working capital borrowings.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through equity and borrowings. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at March 31, 2021, the Company has only one class of equity shares.

Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

For trade receivables, as a practical expedient, the company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates and also takes into account available external and internal credit risk factors.

Movement in expected credit loss allowance on trade receivables

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year		
Loss allowance measured at lifetime expected credit losses		-
Balance at the end of the year	-	-

Details of Financial Assets (trade receivables, loans and other financial assets) that are neither past due nor impaired and that are past due but not impaired

Particulars	March 31, 2021	March 31, 2020
Financial assets that are neither past due nor impaired	244,887	2,899,481
Financial assets that are past due but not impaired	-	
Financial assets that are past due and impaired	-	-
Total	**244,887**	**2,899,481**

Note 21. Accounting classifications and fair values

Fair values vs carrying amounts

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of current trade receivables, current trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, of March 31, 2021 are as follows.

Particulars	Fair value through profit or loss	Amortized Cost	Fair value through OCI
Financial assets			
Cash and cash equivalents	-	10,747,259	-
Trade receivables	-	244,887	-
Investments		-	-
Loans	-	152,300	-
Other Financial Assets	-	-	-
Total	**-**	**11,144,446**	**-**
Financial liabilities			
Trade payables	-	137,737	-
Other Financial liabilities	-	629,042	-
Borrowings	-	1,198,034	-
Total	**-**	**1,964,813**	**-**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, of March 31, 2020 are as follows.

Particulars	Fair value through profit or loss	Amortized Cost	Fair value through OCI
Financial assets			
Cash and cash equivalents		10,357,189	-
Trade receivables		2,899,481	-
Investments		-	-
Other Financial Assets		152,300	-
Loans		-	-
Total	**-**	**13,408,970**	**-**
Financial liabilities			
Trade payables	-	75,600	-
Other Financial liabilities	-	614,652	-
Borrowings	-	1,090,042	-
Total	**-**	**1,780,294**	**-**

Note 22. Tax Disclosures

i) Income Tax recognised

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income Tax recognised in Statement of Profit and Loss		
Current Tax	757,317	1,100,000
Deferred Tax in relation to origination and reversal of timing differences	(109,470)	(300,690)
Adjustment in respect of current income tax of prior years	-	-
	647,847	**799,310**
Income Tax recognised in Other Comprehensive Income		
Deferred Tax relating to items recognised in OCI during the period	-	-
Total	**647,847**	**799,310**

ii) Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax (a)	2,570,694	3,947,643
Income tax rate as applicable (b)	25.17%	25.17%
MAT Rate as applicable (c)	16.69%	19.24%
Tax on above	646,992	993,543
Impact of change in substantively enacted tax rates	-	(195,908)
Others	855	1,675
Income tax expense reported in Statement of Profit and Loss	**647,847**	**799,310**

iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred Tax	-	-
Total	**-**	**-**

iv) Analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	March 31, 2021	March 31, 2020
Deferred Tax Liabilities	5,711,930	5,821,400
Deferred Tax Liabilities (Net)	**5,711,930**	**5,821,400**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive income	Closing Balance
Depreciation	5,821,400	(109,470)	-	5,711,930
Total	**5,821,400**	**(109,470)**	**-**	**5,711,930**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive income	Closing Balance
Depreciation	61,22,090	(3,00,690)	-	58,21,400
Total	**61,22,090**	**(3,00,690)**	**-**	**58,21,400**

Note 23. Segment Reporting

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

Note 24. Remittance in foreign currencies on account of dividend

(i) Number of Non-resident share holders - Nil (Previous year- Nil)

(ii) Number of shares held by them –Nil (Previous Year- Nil)

(iii) Dividend remitted in Foreign Currency - Nil (Previous year Nil)

Note 25. The Company has an internal control system in place, including in relation to internal controls over financial reporting, which is commensurate with the nature and size of its operations. These internal controls are reviewed/tested by the management on an ongoing basis and there are no material weaknesses/deficiencies. Further strengthening of the internal control system/ improvements thereof are being assessed/carried out by the management on a continuing basis.

Note 26. In the opinion of the Directors, Loans and Advances and Other Current Assets, have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business.

Note 27. Impairment of assets: As per the assessment of the management, there is no impairment in-value to any or all assets of the company with reference to the values at which they are recorded in the books of accounts.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 28. Following the global outbreak of Corona Virus (COVID-19) pandemic, on March 24, 2020, the Government of India had ordered a complete nationwide lockdown which had been extended for further periods with certain specified relaxations. The Company and the relative industry has been impacted by the pandemic, which has also affected the operations of the company. However, having regard to the subsequent relaxations which are being allowed in a phased manner and the trends in the overall business environment, the management expects operations to steadily improve in the future.

The management has taken into account the possible impact of all known events arising from the pandemic in the preparation of the financial statements, including recoverability of assets, impact on revenue and expenses and all other key aspects as at the Balance Sheet date. Having regard to the assumptions and management estimates, no further adjustments are considered necessary in the accounts at this stage. Nevertheless, given the uncertainties associated with the pandemic, the company will continue to monitor all significant changes closely in the future as well.

Note 29. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

Gautam Sethi
Director
(DIN: 08571659)

Prabhat Verma
Director
(DIN: 06548864)

Place: Bangalore
Date: April 28, 2021

As per our report attached

For Varma & Varma
(FRN: 004532S)
Chartered Accountants

S. Raghunandan
Partner
M.No: 23592

Place: Calicut
Date: April 30, 2021

Independent Auditor's Report

To the Members of **Northern India Hotels Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Northern India Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

Independent Auditor's Report (Contd.)

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

      i) The Company does not have any pending litigations which would impact its financial position.

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

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **O.P.DADU & CO.**
Chartered Accountants
FRN. 001201N

(ABHEY DADU)
Partner
M.No.093313
UDIN: 21093313AAAAAB4742

Place: New Delhi
Date: April 23,2021

Annexure A to the Independent Auditors' Report

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

1. a) The Company has maintained proper records of its Fixed Assets , showing full particulars including their quantitative detail and situation.

   b) The Company has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No discrepancies were noticed on such verification.

   c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of Land admeasuring 14744.60 Sq.Yards are pending Registration.

2. The company doesn't hold any inventory, during the year. Thus paragraph 3 (ii) of the order is not applicable to the Company.

3. The Company has not granted loan, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus paragraph 3(iii) of the order is not applicable to the Company

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposit from the public.

6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.

7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Custom duty, Goods and Service Tax. cess and other statutory dues wherever applicable to it.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Service Tax, customs duty, excise duty, value added Tax, Goods Services Tax and cess were in arrears, as at 31.03.2021 for a period of more than six months from the date they became payable.

   b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Goods and Services Tax and cess which have not been deposited on account of any dispute.

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

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.

10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

Annexure A to the Independent Auditors' Report (Contd.)

11. The company has not paid or provided any managerial remuneration during the year.

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

13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.

14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.

16. The Company is not required to registered U/s 45 IA of Reserve Bank of India Act, 1934.

For **O.P.DADU & CO.**
Chartered Accountants
FRN. 001201N

(ABHEY DADU)
Partner
M.No.093313
UDIN: 21093313AAAAAB4742

Place: New Delhi
Date: April 23,2021

Annexure B to the Independent 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 Northern India Hotels Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure B to the Independent Auditors' Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **O.P.DADU & CO.**
Chartered Accountants
FRN. 001201N

(ABHEY DADU)
Partner
M.No.093313
UDIN: 21093313AAAAAB4742

Place: New Delhi
Date: April 23,2021

Balance Sheet as at March 31, 2021

₹ Lakhs

	Note	March 31, 2021	March 31, 2020
Assets			
Non-current Assets			
Property, Plant and Equipment	3	26.61	27.56
Intangible Assets	4	0.02	0.03
		26.63	**27.59**
Financial Assets			
Investments	5	10.43	10.43
Other financial assets	7	0.59	931.46
Current Tax (Net)		7.25	8.45
Other Non-current Assets	8	-	5.89
		44.90	**983.82**
Current Assets			
Financial Assets			
Trade and Other Receivables	9	24.94	37.37
Cash and Cash Equivalents	10	7.68	19.19
Bank Balances other than Cash and Cash Equivalents	11	3,276.05	2,064.62
Loans	6	-	-
Other financial assets	7	-	-
Other Current Assets	8	0.12	0.78
		3,308.79	**2,121.96**
Total Assets		**3,353.69**	**3,105.78**
Equity and Liabilities			
Equity			
Equity Share capital	12	44.15	44.15
Other Equity	13	3,287.58	3,045.22
Total Equity		**3,331.73**	**3,089.37**
Liabilities			
Non-current Liabilities			
Deferred Tax Liabilities (Net)	14	5.53	5.76
		5.53	**5.76**
Current Liabilities			
Financial Liabilities			
Other financial Liabilities	15	12.38	1.05
Provision for tax (net)		-	-
Other current liabilities	16	4.05	9.60
		16.43	**10.65**
Total Equity and Liabilities		**3,353.69**	**3,105.78**
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report attached.

For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of the Board

Abhay Dadu
Partner
Membership No.093313

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: New Delhi
Date: April 23, 2021

Place: Mumbai
Date: April 23, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ Lakhs

	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
Income			
Revenue from Operations			
Income from Hotel Operations	17	47.15	115.42
Other Income	18	307.57	192.36
Total		**354.72**	**307.78**
Expenses			
Depreciation and Amortisation	3 & 4	0.96	0.98
Other Operating and General Expenses	19	30.67	24.97
Total		**31.63**	**25.95**
Profit/ (Loss) Before Tax and Exceptional items		**323.09**	**281.83**
Exceptional Items	20	-	-
Profit/ (Loss) Before Tax		**323.09**	**281.83**
Tax Expenses			
Current Tax		79.55	71.35
Deferred Tax		-0.23	-0.86
Short/ (Excess) Provision of Tax/ Deferred Tax of Earlier Years (net)		1.41	0.13
Total		**80.73**	**70.62**
Profit/ (Loss) for the period after tax		242.36	211.21
Other Comprehensive income, net of tax		-	-
Other Comprehensive income for the period, net of tax		**-**	**-**
Total Comprehensive Income for the period		**242.36**	**211.21**
Earning Per Equity Share			
a) Weighted average number of shares		437,600	437,600
b) Nominal value of shares (Rupees)		10	10
c) Basic and diluted earnings per share (Rupees)		55.38	48.27
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report attached.

For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of the Board

Abhay Dadu
Partner
Membership No.093313

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: New Delhi
Date: April 23, 2021

Place: Mumbai
Date: April 23, 2021

Statement of Cash Flows for the year ended March 31, 2021

₹ Lakhs

		March 31, 2021	March 31, 2020
Cash Flow From Operating Activities			
Profit Before Tax		323.09	281.83
Adjustments For :			
Depreciation and Amortisation		0.96	0.98
Profit on Transfer of Property		(110.17)	-
Dividend Income		(0.01)	(0.02)
Interest Income		(197.32)	(192.34)
Provision for Employee Benefits			
		(306.54)	**(191.38)**
Cash Operating Profit before working capital changes		16.55	90.45
Adjustments for (increase)/ decrease in operating assets:			
Trade and Other Receivables		12.43	9.61
Other Current Assets		0.66	(0.00)
Other Non-Current Assets		5.89	0.66
		18.98	**10.27**
Adjustments for increase/ (decrease) in operating liabilities:			
Other Current Liabilities		(5.55)	(3.02)
Other Financial Liabilities		11.33	0.12
		5.78	**(2.90)**
Cash Generated from Operating Activities		41.31	97.82
Direct Taxes (Paid)/ Refunded		(79.76)	(80.59)
Net Cash From Operating Activities (A)		**(38.45)**	**17.23**
Cash Flow From Investing Activities			
Interest Received		197.32	192.34
Dividend Received		0.01	0.02
Profit on Transfer of Property		110.17	
ICD's Given		-	-
Other Financial Assets		-	-
Proceeds from maturity of short-term deposits with banks		(280.56)	(260.93)
Net Cash Used In Investing Activities (B)		**26.94**	**(68.57)**
Cash Flow From Financing Activities			
Net Cash Generated/ (Used) In Financing Activities (C)		**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)		(11.51)	(51.34)
Cash and Cash Equivalents - Opening		19.19	70.53
Cash and Cash Equivalents - Closing (Refer Note 10)		7.68	19.19
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report attached.

For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

Abhay Dadu
Partner
Membership No.093313

Place: New Delhi
Date: April 23, 2021

For and on behalf of the Board

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: Mumbai
Date: April 23, 2021

Statement of Changes in Equity as at March 31, 2021

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Grand Total
		Retained Earning	Retained Earning		Other reserves	
			General Reserve	Profit & Loss B/fd		
Balance as at March 31, 2020	**44.15**	**3,045.22**	**-**	**3,045.22**	**-**	**3,089.37**
Changes in accounting policy/prior period errors						-
Restated balance as at March 31, 2020	**44.15**	**3,045.22**	**-**	**3,045.22**	**-**	**3,089.37**
Profit for the year	-	242.36	-	242.36	-	242.36
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	-	-
Actuarial Gains/Losses (Not Reclass to P&L)	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**242.36**	**-**	**242.36**	**-**	**242.36**
Dividends	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-
Balance as at March 31, 2021	**44.15**	**3,287.58**	**-**	**3,287.58**	**-**	**3,331.73**

In terms of our report attached.

For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

Abhay Dadu
Partner
Membership No.093313

Place: New Delhi
Date: April 23, 2021

For and on behalf of the Board

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: Mumbai
Date: April 23, 2021

Notes to the Financial Statements for the year ended March 31, 2021

Note 1. Corporate Information

Northern India Hotels Limited ("NIHL" or the "Company"), is a public limited company incorporated in 1971 and has its registered office at Tajview Hotel, Fatehabad Road, Taj Ganj, Agra – 282001. It is subsidiary of PIEM Hotels Ltd., Mumbai. The company is primarily engaged in the business of owing hotel.

The financial statements were approved by the Board of Directors and authorised for issued on April 23, 2021

Note 2. Significant Accounting Policies

(a) Statement of compliance:

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

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgements

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

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

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

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

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

- **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

(d) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises Licence Fee relating to hotel operations.

Licence fee earned is under long-term contracts with the PIEM Hotels Limited and is recognised when earned in accordance with the terms of the contract.

Interest

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

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(e) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(j) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

Class of Assets	Estimated Useful Life
Hotel Buildings	60 years
Plant and Equipment	10 to 20 years
Assets costing less than₹ 5000	4 years

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

(f) Intangible Assets:

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

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

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

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

iv) the ability to measure the development expenditure reliably.

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

Class of Assets	Estimated Useful Life
Software	6 years

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

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(g) Impairment of assets:

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

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

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

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

(h) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

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

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

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

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

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

Contingent assets are not recognized in the financial statements.

(j) Borrowing Costs:

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

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

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

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

(l) Cash Flow Statement:

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

(m) Earnings Per Share:

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

(n) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

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

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

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

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

Equity investments

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

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

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

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

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

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

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

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

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ Lakhs

Particulars	Freehold Land	Buildings (Refer Footnote (i) & (ii))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross Block at Cost							
At March 31, 2020	3.80	28.50	0.01	-	-	-	32.31
Additions							-
Adjustments							-
Disposals							-
At Mrach 31, 2021	3.80	28.50	0.01	-	-	-	32.31
Depreciation (Refer Footnote (ii))							
At March 31, 2020	-	4.75	-	-	-	-	4.75
Charge for the year		0.95					0.95
Disposals							-
At Mrach 31, 2021	-	5.70	-	-	-	-	5.70
Net Block							
At March 31, 2020	3.80	23.75	0.01	-	-	-	27.56
At Mrach 31, 2021	3.80	22.80	0.01	-	-	-	26.61

Footnotes :

1) Gross block including freehold land admeasuring 14744.60 Sq.yd Aggregating to ₹ 1,93,499/- pending conveyance.

Note 4 : Intangible Assets (Acquired)

Particulars	Website Development Cost	Software and Licenses	Service and Operating Rights	Total	Intangible assets under development
At March 31, 2020	-	0.51	-	0.51	-
Additions	-	-	-	-	-
Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2021	-	0.51	-	0.51	-
Amortisation					
At March 31, 2020	-	0.48	-	0.48	-
Charge for the year	-	0.01	-	0.01	-
Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2021	-	0.49	-	0.49	-
Net Block					
At March 31, 2020	-	0.03	-	0.03	-
At March 31, 2021	-	0.02	-	0.02	-

Note 5 : Investments

	Face Value	March 31, 2021 Holdings As at	March 31, 2021 ₹ Lakhs	March 31, 2020 Holdings As at	March 31, 2020 ₹ Lakhs
Non Current					
Trade Investments					
Fully Paid Quoted Equity Investments :					
Investments in Fellow Subsidiary					
Beneras Hotels Limited	10	150	0.02	150	0.02
			0.02		**0.02**
Fully Paid Unquoted Equity Investments :			-		-
Investments in Associate Companies					
Taida Trading and Industries Limited	100	4,000	0.09	4,000	0.09
Inditravel Limited	10	24,000	2.40	24,000	2.40
Taj Trade and Transport Company Limited	10	49,998	7.91	49,998	7.91
			10.40		**10.40**
Total Trade Investment			**10.42**		**10.42**
Non-trade Investments					
Investment in Equity Instruments					
Fully Paid Unquoted Equity Instruments					
Sarswat Co-operative Bank Ltd.	10	1,000	0.10	1,000	0.10
			0.10		**0.10**
Total Non-current Investments - Gross			10.52		10.52
Less : Provision for Diminution in value of Investments			0.09		0.09
Total Non-current Investments - Net			**10.43**		**10.43**
Aggregate amount of quoted investments					
Cost			0.02		0.02
Market Value			1.92		1.94
Aggregate amount of unquoted investments					
Cost			10.50		10.50

Note 6 : Loans

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
A) Current		
Short-term Loans		
(Unsecured, considered good unless stated otherwise)		
ICD to Related Parties	-	-
Others	-	-
	-	-
	-	-

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 7 : Other Financial Assets

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
A) Non Current		
Deposits with Public Bodies and Others at amortised costs		
Term Deposit with Bank maturing after 12 months	-	930.87
Public Bodies and Others	0.59	0.59
	0.59	**931.46**
Less: Provision for Deposits doubtful of recovery	-	-
	0.59	**931.46**
B) Current		
Interest receivable		
Related Parties	-	-
Others	-	-
	-	**-**

Note 8 : Other Assets

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
A) Non Current		
Prepaid Expenses	-	5.89
	-	**5.89**
B) Current		
Prepaid Expenses	-	0.66
Deposits adjustable against future payments	0.12	0.12
	0.12	**0.78**

Note 9 : Trade and other receivables

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
(Unsecured) (Refer Footnote)		
Considered good	24.94	37.37
Considered doubtful	-	-
	24.94	**37.37**
Less : Provision for Debts doubtful of recovery	-	-
	24.94	**37.37**

Note 10 : Cash and Cash Equivalents

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Cash on hand	0.02	0.02
Balances with bank in current account	7.66	19.17
	7.68	**19.19**

Note 11 : Bank Balances Other than Cash and Cash Equivalents

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Other Balances with banks		
Call and Short-term deposit accounts	3,276.05	2,064.62
	3,276.05	**2,064.62**
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current	-	-
	3,276.05	**2,064.62**

Note 12 : Share Capital

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Authorised Share Capital		
Equity Shares		
5,50,000 (Previous year - 5,50,000) Equity Shares of ₹ 10 each	55.00	55.00
Preference Shares		
5,000 (Previous year - 5,000) Preference Shares of ₹ 100/- each	5.00	5.00
	60.00	**60.00**
Issued Share Capital		
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	44.91	44.91
	44.91	**44.91**
Subscribed and Paid Up		
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	43.76	43.76
Add 11450 Shares Forfeited	0.39	0.39
	44.15	**44.15**

Footnotes :

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2021		March 31, 2020	
	No. of shares	`	No. of shares	`
As at the beginning of the year	437,600	4,376,000	437,600	4,376,000
Add/ less : Shares issued during the year	-	-	-	-
Add/ less : Shares bought back during the year	-	-	-	-
As at the end of the year	**437,600**	**4,376,000.00**	**437,600**	**4,376,000**

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

Equity share of ₹ 10 each fully paid	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
PIEM Hotels Limited	412,083	94.16%	412,083	94.16%

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

Equity share of ₹ 10 each fully paid	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
PIEM Hotels Limited	412,083	94.16%	412,083	94.16%

Note 13. Other Equity

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Reserves & Surplus		
Retained Earning		
Surplus/Deficit in the Profit And Loss b/f	3,045.22	2,834.01
Add: Current Year profits	242.36	211.21
Closing retained earning	**3,287.58**	**3,045.22**
Other Comprehensive Income		
Total	**3,287.58**	**3,045.22**

Note 14 : Deferred Tax Liabilities (net)

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Deferred Tax Liabilities:		
Property, Plant & Equipment	5.53	5.76
Total (A)	**5.53**	**5.76**
Deferred Tax Assets:		
Total (B)	-	-
Net Deferred Tax Liabilities (A-B)	**5.53**	**5.76**

Note 15: Other financial liabilities

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
B) Current financial liabilities		
Payables on Current Account dues :		
Related Parties	-	-
Others	-	-
	-	-
Employee related liabilities	-	-
Others (Refer Footnote _)	**12.38**	**1.05**
	12.38	**1.05**

Note 16 : Other Current Liabilities

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
B) Current		
Advances against plot	-	5.00
Statutory dues	4.05	4.60
	4.05	**9.60**

Note 17 : Revenue from Operations

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Income from Hotel Operations	47.15	115.42
Total	**47.15**	**115.42**

Note 18 : Other Income

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Interest Income		
Inter-corporate deposits		
Related Parties	60.63	-
Others	-	-
	60.63	**-**
Deposits with banks	136.69	192.34
Total	**197.32**	**192.34**
Dividend Income on investments held at the end of period/ year		
From others	0.01	0.02
Profit on sale of assets (Net)	-	-
Profit on sale of Indore Plot	110.17	-
Others	0.07	-
Total	**307.57**	**192.36**

Note 19 : Other Operating and General Expenses

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
General expenses consist of the following :		
Rent	0.14	0.16
Licence Fees	0.50	0.66
Rates and Taxes	**5.00**	**-**
Printing and Stationery	**0.30**	**0.29**
Passage and Travelling	**-**	**0.06**
Telephone Expenses	**0.46**	**0.36**
Professional Fees	**9.90**	**8.76**
Payment made to Statutory Auditors (Refer Footnote (i)	**1.00**	**1.27**
Service Charges	**12.63**	**12.39**
Other Expenses (Refer Footnote (iv))	**0.74**	**1.02**
Total	**30.67**	**24.97**

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
(i) Payment made to Statutory Auditors:		
As auditors	0.80	0.80
As tax auditors	-	0.08
For other services (Taxation Matters)	0.20	0.20
For out-of pocket expenses	**-**	**0.19**
	1.00	**1.27**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 20 : Exceptional Items

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Exceptional Items comprises the following :		
Total	-	-

21. Notes on Account

21.1 Additional information to the financial statements

21.1.1 Contingent Liabilities

Contingent liabilities and commitments (to the extent not provided for)

S. No.	Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
1.	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	NIL	NIL
	(b) Guarantees	NIL	NIL
	(c) Other money for which the Company is contingently liable	NIL	NIL
	Total	**NIL**	**NIL**
2.	Commitments	NIL	NIL
	Total	**NIL**	**NIL**

Note: Contingent assets are not recognized in the financial statements.

21.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

S. No.	Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iv)	The amount of interest due and payable for the year	NIL	NIL
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	NIL	NIL

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

21.3 Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(a) Ultimate Holding Company

Name	Country	Holding as at	
		March 31, 2021	March 31, 2020
The Indian Hotels Company Limited	India	-	-

(b) Holding Company

Name	Country	Holding as at	
		March 31, 2021	March 31, 2020
PIEM Hotels Limited	India	94.16%	94.16%

(C) Fellow Subsidiary

Name	Country	Holding as at	
		March 31, 2021	March 31, 2020
Roots Corporation Limited	India		

(a) Details of transactions made during the year:

(1) PIEM Hotels Limited

S. No.	Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
1.	Operating/License Fees Income	47.15	115.42
2.	Reimbursement of Services	12.63	12.39
3.	Sundry Expenses	-	0.11

(2) PIEM Hotels Limited

S. No.	Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
1.	Balance at the year end (Payable)	-	-
2.	Balance at the year end (Receivable)	24.94	37.37

(3) Roots Corporation Limited

S. No.	Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
1.	Interest Received	60.63	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

21.4 Earnings Per Share

Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Profit/ (Loss) after taxRs /Lakhs	242.36	211.21
Number of Ordinary Shares	437600	437600
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS	437600	437600
Considered in calculation of Diluted EPS	437600	437600
Face Value per Ordinary Share	10	10
Earnings Per Share:(Rupees)		
Basic	55.38	48.27
Diluted	55.38	48.27

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

21.5 Impact of taxes low Taxation Laws (Amendment) Ordinance, 2019

The Company has elected to exercise the option permitted under section 115BAA of the Income tax act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and remeasured its opening deferred tax liability at the reduced tax rate. The full impact of the remeasurement of the opening deferred tax liabilities amounting to ₹ 0.62 lacs has been recognised in the statement of Profit and loss account for the year ended March 31, 2021."

21.6 Income Tax recognised in Profit or loss:

Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Current Tax		
In respect of the current year	79.55	71.35
In respect of earlier years	1.41	0.13
	80.96	**71.48**
Deferred Tax		
In respect of the current year		
MAT credit	-	-
Other items	(0.23)	(0.24)
Adjustment to deferred tax attributable to changes in tax rates and laws	-	(0.62)
In respect of earlier years	-	-
	(0.23)	**(0.86)**
Total tax expense recognised in the current year relating to continuing operations	**80.73**	**70.62**

21.7 Reconciliation of tax expense with the effective tax

Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Profit before tax from continuing operations (a)	323.09	281.83
Income tax rate as applicable (b)	25.17%	25.17%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	81.31	70.93
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	-	(0.01)
Income considered as capital in nature under tax and tax provisions	-	-
Effect of expenses that are not deductible in determining taxable profit	3.39	0.19
Tax on Income on which special tax rate is applied	(5.37)	-
Others	(0.01)	
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	-	-
Effect on deferred tax balances due to the change in income tax rate	-	(0.62)
Prior year taxes as shown above	1.41	0.13
Income tax expense recognised in profit or loss (relating to continuing operations)	**80.73**	**70.62**

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Deferred Tax Assets	-	-
Deferred Tax Liabilities	(5.53)	(5.76)
Net Deferred Tax Liability	**(5.53)**	**(5.76)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

Particulars	Opening Balance	Recognised in profit or loss		Closing balance
		Impact of change in Income Tax Rate	Others	
Deferred tax assets / (liabilities):				
Property. Plant and equipment & Intangible Assets	(5.76)	-	0.23	(5.53)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

Particulars	Opening Balance	Recognised in profit or loss		Closing balance
		Impact of change in Income Tax Rate	Others	
Deferred tax assets / (liabilities):				
Property. Plant and equipment & Intangible Assets	(6.62)	0.62	0.24	(5.76)

21.8 Financial Instruments

21.8.1 The carrying value and fair value of financial instruments by categories is as follows:

(a) As of March 31, 2021

Particulars	FVPL	FVOCI	Amortised cost	Total
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	10.33
External Companies	-	-	0.10	0.10
Other Financial Assets	-	-	0.59	0.59
Trade Receivables	-	-	24.94	24.94
Cash and cash equivalents	-	-	7.68	7.68
Bank Balance Other than Cash & Cash Equivalent	-	-	3276.05	3276.05
Total - Financial Assets	**-**	**-**	**3319.69**	**3319.69**
Financial liabilities:				
Other Financial Liabilities	-	-	12.38	12.38
Total - Financial Liabilities	**-**	**-**	**12.38**	**12.38**

(b) As of March 31, 2020

Particulars	FVPL	FVOCI	Amortised cost	Total
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	10.33
External Companies	-	-	0.10	0.10
Loans	-	-		
Other Financial Assets	-	-	931.46	931.46
Trade Receivables	-	-	37.37	37.37
Cash and cash equivalents	-	-	19.19	19.19
Bank Balance Other than Cash & Cash Equivalent	-	-	2064.62	2064.62
Total - Financial Assets	**-**	**-**	**3063.07**	**3063.07**
Financial liabilities:				
Other Financial Liabilities	-	-	1.05	1.05
Total - Financial Liabilities	**-**	**-**	**1.05**	**1.05**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

21.9 Segment Reporting (Ind AS-108)

Disclosure of segment wise information is not applicable as Hoteliering is the Company's only business segment.

21.10 Payments to the auditor comprises of:

Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Audit Fees (As statutory auditors)	0.80	0.80
Tax Audit Fees	-	0.08
Taxation Matters	0.20	0.20
Reimbursement of Expenses	-	0.19
Total	**1.00**	**1.27**

21.11 Events occurring after the reporting period

There are no events which qualify for events happening after the reporting period.

21.12 Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2021 and 31.03.2020.

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

Abhay Dadu
Partner
Membership No.093313

Place: New Delhi
Date: April 23, 2021

For and on behalf of the Board

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: Mumbai
Date: April 23, 2021

Independent Auditor’s Report

To the Members of **PIEM Hotels Limited**

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying financial statements of PIEM Hotels Limited (“the Company”), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to:

Note 2(g) to the financial statements, regarding the management’s assessment of liquidity and going concern assumption, values of its financial and non-financial assets as at March 31, 2021 being considered as unimpaired and recoverable based on its internal & external sources of information and estimates, and its judgement on implications expected to arise from COVID-19 pandemic, wherein actual results could vary.

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

Information Other than the Financial Statements and Auditors’ Report Thereon

The Company’s management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors’ report but does not include the financial statements and our auditors’ report thereon.

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

Independent Auditor's Report (Contd.)

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

   (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor’s Report (Contd.)

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

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

i. The Company has disclosed the impact, of pending litigations as at March 31, 2021 on its financial position in its financial statements – Refer Note 23 of financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

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

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIB9496

Place of Signature: Mumbai
Date: April 23, 2021

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of PIEM HOTELS LIMITED ("the Company") on the financial statements as of and for the year ended March 31, 2021.

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

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold as disclosed in Note 3(a) to the financial statements, are held in the name of the Company as at Balance Sheet date, except in case of a piece of land at Agra having a gross block and net block of ₹ 4.32 lacs, where registration has not been effected after purchase. However, a settlement reached in a tripartite agreement with the vendors and a claimant has been duly recorded in Court. In respect of immovable properties of land and building that have been taken on lease and disclosed as right to use assets in the financial statements, the lease agreements are in the name of the Company.

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

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

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

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

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

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

Annexure A (Contd.)

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs, Excise duty and Value added tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of Statute	Nature of Dues	Amount Demanded ₹ in Lacs	Amount not Deposited under Disputes ₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
The Finance Act,1994	Service Tax	419.15	419.15	FY 2010-11 to 2015-16	Commissioner of Central GST and Central Excise, Lucknow
The Finance Act,1994	Service Tax	157.60	157.60	FY 2005-06 to 2010-11	Commissioner of Central GST and Central Excise, Pune
The Finance Act,1994	Service Tax	63.13	63.13	FY 2015-16 to 2017-18	Deputy Commissioner of Central GST and Central Excise, Mumbai
The U.P Sales Tax Act	Sales Tax	15.76	3.30	FY 2007-08 to 2011-12	Commissioner of Sales Tax, Lucknow
The Maharashtra VAT Act & CST Act	Sales Tax	46.49	44.50	FY 2015-16	Deputy Commissioner of Sales Tax, Mumbai

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to banks. The Company did not have any outstanding dues to debenture holders, financial institutions and government during the year.

(ix) According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

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

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

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

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures.

Annexure A (Contd.)

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

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause (xv) of the Order are not applicable.

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

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

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIB9496

Place of Signature: Mumbai
Date: April 23, 2021

Annexure B

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

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

We have audited the internal financial controls with reference to financial statements of **PIEM HOTELS LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure B (Contd.)

authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIB9496

Place of Signature: Mumbai
Date: April 23, 2021

Balance Sheet As at March 31, 2021

₹ in lakhs

	Notes	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3(a)	47,565.76	49,311.60
Rights-of-Use Assets	3(b)	6,840.29	9,310.10
Capital work-in-progress	3(a)	390.88	729.01
Intangible Assets	4	80.35	134.55
		54,877.28	**59,485.26**
Financial Assets			
Investments	5(a)	15,620.27	14,054.06
Other Financial non Current Assets	5(b)	396.00	397.94
Deferred Tax Assets (Net)	12	3,165.77	737.78
Advance Income Tax (Net)		351.58	801.58
Other Non Current Assets	7	841.63	1,454.10
Total Non-Current Assets		**75,252.53**	**76,930.72**
Current Assets			
Inventories	8	742.48	1,015.21
Financial Assets			
Investments	5(a)	-	2,001.19
Trade Receivables	5(c)	774.72	1,660.83
Cash and Cash Equivalents	5(d)	32.78	186.51
Other Balances with Banks	5(d)	735.15	531.96
Other Financial Assets	5(b)	676.00	606.82
Other Current Assets	6	1,709.81	1,353.34
Total Current Assets		**4,670.94**	**7,355.85**
Total Assets		**79,923.47**	**84,286.58**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9(a)	381.00	381.00
Other Equity	9(b)	57,561.06	61,842.31
Total Equity		**57,942.06**	**62,223.31**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	10(c)	3,510.00	-
Lease Liabilities	10(c)	7,290.99	9,455.03
Other Financial Liabilities	10(a)	13.40	145.83
Provisions	11	534.24	565.29
Total Non-Current Liabilities		**11,348.63**	**10,166.15**
Current Liabilities			
Financial Liabilities			
Borrowings	10(c)	4,064.43	4,000.00
Lease Liabilities		13.81	12.40
Trade Payables			
Total Outstanding dues of micro and small enterprises	10(b)	178.03	31.15
Total Outstanding dues of creditors other than micro and small enterprises	10(b)	3,406.00	3,997.75
Other Financial Liabilities	10(a)	1,138.76	1,749.10
Other Current Liabilities	13	976.98	1,182.18
Provisions	11	854.77	924.54
Total Current Liabilities		**10,632.78**	**11,897.12**
Total Liabilities		**21,981.41**	**22,063.27**
Total Equity and Liability		**79,923.47**	**84,286.58**

To be read along with our audit report of even date attached

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

Ramanarayanan J
Partner (220369)
UDIN: 21220369AAAAIB9496

Mumbai, April 23, 2021

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary
Mumbai, April 23, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ in lakhs

	Notes	March 31, 2021	March 31, 2020
INCOME			
Revenue			
Revenue from Operations	14	14,998.23	38,474.60
Other Income	15	402.44	457.61
Total Income		**15,400.67**	**38,932.21**
EXPENSES			
Food and Beverages Consumed	16	2,089.01	4,510.42
Employee Benefit Expenses and Payment to Contractors	17	8,207.39	10,912.29
Finance Costs	18	1,271.32	1,213.85
Depreciation and Amortisation expenses	3a, 3b & 4	4,189.03	4,274.56
Other Operating and General expenses	19	9,264.79	17,606.39
Total expenses		**25,021.54**	**38,517.51**
Profit Before Exceptional items and Tax		**(9,620.87)**	**414.71**
Exceptional Item	33	**-**	**280.92**
Profit Before Tax		**(9,620.87)**	**695.62**
Tax Expenses			
Current Tax	20	-	140.81
Deferred Tax	20	(2,745.10)	(242.06)
Total tax expenses		**(2,745.10)**	**(101.25)**
Profit/ (Loss) during the year		**(6,875.77)**	**796.87**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit obligation		214.43	(7.52)
Change in fair value of equity instruments designated irrevocably as FVTOCI		2,697.20	(1,033.58)
Less: income tax expense		(317.11)	121.33
Other Comprehensive income for the year, net of tax		**2,594.52**	**(919.77)**
Total Comprehensive Income for the year		**(4,281.25)**	**(122.90)**
Earnings per share - ₹ (Basic and Diluted)	34	(180.47)	20.92
Face value per ordinary share - (₹)		10.00	10.00

To be read along with our audit report of even date attached

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

Ramanarayanan J
Partner (220369)
UDIN: 21220369AAAAIB9496

Mumbai, April 23, 2021

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary
Mumbai, April 23, 2021

Statement of Changes in Equity for the Year ended March 31, 2021

₹ in lakhs

	Equity Share Capital Subscribed	RESERVES AND SURPLUS						TOTAL
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	
Balance at the beginning of April 1, 2019	**381.00**	**375.61**	**77.00**	**2,011.00**	**12,834.04**	**42,170.87**	**5,486.54**	**63,336.06**
Profit for the year	-	-		-	-	796.87	-	796.87
Other Comprehensive Income for the year ended March 31, 2020, net of taxes, excluding actuarial gain/ losses, given below	-	-		-	-	-	(914.45)	(914.45)
Actuarial Gains / Losses (Not Reclass to P&L)						(5.33)		(5.33)
Total Comprehensive Income for the year 2019/20	**-**	**-**	**-**	**-**	**-**	**791.54**	**(914.45)**	**(122.91)**
Dividends	-	-		-	-	(381.00)	-	(381.00)
Tax on Dividend	-	-		-	-	(78.32)	-	(78.32)
DDT Refund						270.87		270.87
Adjustment on account of IndAS 116 Transition - (Refer No 9b)					-	(801.39)	-	(801.39)
Balance at the end of March 31, 2020	**381.00**	**375.61**	**77.00**	**2,011.00**	**12,834.04**	**41,972.57**	**4,572.09**	**62,223.31**
Balance at the beginning of April 1, 2020	**381.00**	**375.61**	**77.00**	**2,011.00**	**12,834.04**	**41,972.57**	**4,572.09**	**62,223.31**
Profit for the year	-	-		-	-	(6,875.77)	-	(6,875.77)
Other Comprehensive Income for the year ended March 31, 2021, net of taxes, excluding actuarial gain/ losses, given below	-	-		-	-	-	2,439.74	2,439.74
Transfer to Retained earnings on sale of Investments						1,125.37	(1,125.37)	-
Actuarial Gains / Losses (Not Reclass to P&L)	-	-		-	-	154.78	-	154.78
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**(5,595.62)**	**1,314.37**	**(4,281.25)**
Dividends	-	-		-	-	-	-	-
Tax on Dividend	-	-		-	-	-	-	-
DTT Refund						-		-
Balance at the end of March 31, 2021	**381.00**	**375.61**	**77.00**	**2,011.00**	**12,834.04**	**36,376.95**	**5,886.46**	**57,942.06**
Summary of significant accounting policies	1							
Critical Estimates and Judgements	2							

The above statement of changes in equity should be read along with our audit report of even date attached.

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

Ramanarayanan J
Partner (220369)
UDIN: 21220369AAAAIB9496

Mumbai, April 23, 2021

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary
Mumbai, April 23, 2021

Cash Flow Statement for the year ended March 31, 2021

₹ in lakhs

	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	(9,620.87)	695.62
Adjustments For:		
Depreciation and Amortisation	4,189.03	4,274.55
Gain on termination of Ind AS 116 Lease / waiver of lease rent	(97.27)	(37.53)
Provision for Doubtful Debts and Advances	49.90	16.41
(Profit)/Loss on sale of non-current investments	-	(280.92)
(Profit)/Loss on sale of current investments	(14.36)	(28.28)
Loss on Sale/Discarding of Assets	234.49	199.93
Dividend Income	(29.02)	(62.75)
Interest Income	(74.23)	(51.44)
Interest Expense	553.01	275.81
Interest on Lease Liability (Ind AS 116)	718.31	938.04
Fair value movement on Investment measured at FVTPL	0.82	1.28
Provision for Employee Benefits (OCI Adjustments)	214.43	(7.52)
	5,745.11	**5,237.58**
Cash Operating Profit before working capital changes	(3,875.76)	5,933.20
Adjustments for (increase)/ decrease in operating assets:		
Inventories	272.73	(97.06)
Trade Receivables	836.22	(216.27)
Other financial current assets	(39.41)	(198.45)
Other Current assets	(232.79)	(637.99)
Other financial non current assets	1.93	13.87
Other non current assets	383.01	(146.58)
	1,221.69	**(1,282.48)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	(928.89)	(273.00)
Other current liabilities	(205.19)	133.56
Other financial current liabilities	(542.74)	14.16
Other financial non current liabilities	(40.39)	17.25
Other liabilities	(96.20)	46.10
	(1,813.41)	**(61.93)**
Cash Generated from Operating Activities	(4,467.48)	4,588.79
Direct Taxes (Paid)/ Refunded	450.00	(495.63)
Net Cash From Operating Activities (A)	**(4,017.48)**	**4,093.16**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(2,229.21)	(3,709.90)
Sale of Property, Plant & Equipment	23.81	31.85
(Purchase) / Sale of current Investments	2,014.73	(1,557.87)
Sale of Investment in an Associate	-	291.50
Sale of Investment in Other Companies	1,130.98	-
Interest Received	44.47	126.66
Dividend Received	29.02	62.75
Bank balances other than cash and cash equivalents	(203.19)	(103.27)
Net Cash Used In Investing Activities (B)	**810.61**	**(4,858.28)**

Cash Flow Statement for the year ended March 31, 2021 (Contd.)

₹ in lakhs

		March 31, 2021	March 31, 2020
CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid		(561.01)	(302.09)
Increase / (Decrease) in Lease Liability (Ind AS 116)		(50.27)	(743.00)
Proceeds from long term borrowings		3,600.00	-
Proceeds from short term borrowings from related party		1,500.00	7,800.00
Repayment of short term borrowings from related party		(1,500.00)	(6,000.00)
Proceeds from other short term borrowings		64.42	-
Dividend & Tax paid		-	(459.32)
Refund of DDT		-	270.87
Net Cash Generated/ (Used) In Financing Activities (C)		**3,053.14**	**566.46**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)		(153.73)	(198.66)
Cash and Cash Equivalents - Opening		186.51	385.17
Cash and Cash Equivalents - Closing		32.78	186.51
Note: For Net Debt position - Refer note 10(C)			
Summary of Significant Accounting Policies	1		
Critical Estimates and Judgements	2		

The above Statement of cash flow should be read in conjunction with the accompanying notes.
To be read along with our audit report of even date attached

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

Ramanarayanan J
Partner (220369)
UDIN: 21220369AAAAIB9496

Mumbai, April 23, 2021

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

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(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary
Mumbai, April 23, 2021

Background and Operations

Piem Hotels Limited is a subsidiary of The Indian Hotels Company Limited. The Company is primarily engaged in the business of owning and operating hotels. The registered office of the Company is located at 90, Cuffe Parade, Mumbai 400005.

The financial statements were approved by the Board of Directors and authorised for issue on April 23, 2021.

1. Significant accounting policies

a. Statement of Compliance:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

Recent Accounting Pronouncements:

(i) New amended standards and interpretation

i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'

ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.

iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non - adjusting event.

iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.

v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments except for Ind AS 116 has any material impact on the financial statements for the current year. For impact of Ind AS 116, refer note 15 Other Income wherein ₹ 97 lakhs recognised towards lease rent waiver.

(ii) New standard notified but not effective

None.

b. Basis of presentation and presentation:

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

c. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed in line with the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

- An asset is current when it is:
  - Expected to be realized within twelve months after the reporting period, or within the normal operating cycle of the company.
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
  - All other assets are classified as non-current.
- A liability is current when:
  - It is expected to be settled in normal operating cycle
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
  - All other liabilities are classified as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

e. Use of Estimates and Judgements

Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are provided in Note 2.

f. Consolidation

These financial statements represent the separate financial statements of the Company. The Ministry of Corporate Affairs (MCA) through its circular dated July 27, 2016 has exempted a company from preparing and filing of consolidated financial statements if its ultimate or intermediate holding company is filing consolidated financial statements.

Further Sub - Para (iv) to Para 4 of Ind AS 110 - Consolidated Financial Statements exempts a company from consolidation if its ultimate parent produces Ind AS complied consolidated financial statement, which are available for public use.

In view of above exemptions, the Company is not required to file the consolidated financial statements.

The Company has complied with Ind AS 27: Separate financial statements whereby investments in subsidiaries, joint ventures and associates are to be valued either

- at cost; or
- in accordance with Ind AS 109.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The Company has elected to measure its investment in subsidiaries and associates at cost determined in accordance with Ind AS 27 at original cost of investment in subsidiaries and associates.

g. Revenue recognition

- Revenue from Services

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

  Income from operations

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

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

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

  Membership Fees: Membership fee income majorly consists of health club and spa membership fees. The performance obligations are satisfied over a period of time. Revenue is recognised at the allocated transaction price on a time-proportion basis.

- Interest

  Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's gross carrying amount on initial recognition.

- Dividend

  Dividends are recognized in profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

h. Employee Benefits

(i) Short - term Obligations

Liabilities for the wages and salaries, including non - monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the balance sheet.

(ii) Other long-term employee benefit obligations

The Liabilities for earned leave and sick leave are not expected to be settled wholly with 12 months after the end of the period in which the employee render the related services. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of the reporting period having terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in Profit and Loss.

(iii) Post-employment obligations

- Defined Contribution plan (Provident fund)

  The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognized as an expense in the Statement of Profit and Loss. The contributions as specified under the law are paid to the respective Regional Provident fund commissioner (RPFC) or to the trust set up by the Company. In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan.

  The Company's contribution is recognized as an expense in the Statement of Profit & Loss.

- Defined Benefit plans (Gratuity)

  The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method.

  Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognized in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

  The Company presents the first two components of defined benefit costs in Statement Profit and Loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The defined benefit obligation recognized in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

- Other Employee Benefits

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

i. Property, plant and equipment

Freehold land is carried at historical Cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and where applicable accumulated impairment losses. Historical Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of Property, Plant and equipment have differential useful life, they are accounted for as separate items (major components) of property, plant and equipment.

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 within other income/ other expenses in the statement of profit and loss account.

The Subsequent cost or cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of day to day servicing and all other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on group's technical evaluation, taking into the account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties, maintenance support, etc.

• Plant and machinery	10 to 20 years
• Electrical installations and equipment	20 years
• Hotel Wooden Furniture	15 years
• End User devices - Computers, Laptops, etc.	6 years
• Minor Additions to Furniture & Fittings/Plant & Machinery	4 years
• Improvements to Buildings	15 years
• Operating Supplies on opening of a new hotel	2 to 3 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values are not more than 5% of the original cost of the assets. The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

j. Intangible assets

(i) Computer Software

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Useful life of the intangible assets are as follows

Website Development Cost	5 years
Cost of Customer Reservation System (including licensed software)	6 years

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

k. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit or loss section of the statement of profit and loss.

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

l. Foreign Currency Translation

- Functional and Presentation Currency

  The Financial Statement is presented in Indian Rupee (₹), which is Piem Hotels Limited's functional and presentation currency.

- Transactions and balances

  Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

- Subsequent Recognition

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

m. Leases

On inception of a contract, Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's statement of financial position as a right-of-use asset and a lease liability.

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

The right-to-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-to-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-to-use assets are also adjusted for any re-measurement of lease liabilities.

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

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

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

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

In case of early termination of lease contract with mutual consent of both the parties, the carrying amount of right-to-use assets and lease liabilities are de-recognised on the date of termination, and the differential amount is debited / credited to statement of profit and loss.

Company has opted not to apply the lease accounting model to leases of low value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Company's statement of cash flows:

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

n. Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realizable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

o. Taxes

- Current income tax

  The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable income of the year. The tax rates and tax laws used for computation of current tax includes those that are enacted or substantively enacted, at the reporting date.

  Current tax is recognized in the statement of profit and loss except to the extent it relates to an item recognized directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

- Deferred tax

  Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

  The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of the report period, to recover or settle the carrying amount of its assets and liabilities.

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

- Current and Deferred tax charge for the year

  Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

p. Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized, when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, there will be an outflow of resources and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Present value is arrived by using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized but only disclosed in the financial statements.

q. Cash and Cash equivalents

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

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

r. Earnings per Share

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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

s. Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the Management of the Company. Disclosure of segment wise information is not applicable as Hoteliering is the Company's only business segment.

t. Financial Instruments & Risk Management

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

(i) Financial assets

1. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investment when and only when its business model for managing those assets changes.

2. Initial recognition and measurement

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

3. Subsequent measurement

- Debt instruments at amortised cost

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

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

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

- Debt instrument at FVTOCI (Fair Value through Other Comprehensive Income)

  A 'debt instrument' is measured at Fair value through OCI if both the following conditions are met:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss.

- Debt instrument at FVTPL (Fair Value through Profit and Loss account)

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for 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 P&L.

- Equity investments

  All equity investments, other than those in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Where the Company has elected to present fair value gains and losses on equity investment in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

  For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

  Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

- Impairment of financial assets

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

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

  (b) Contract assets and trade receivables under Ind AS 115.

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

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

  The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(ii) Financial Liabilities and Equity

- Classification as debt or equity

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments

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

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

- Initial recognition and measurement

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent measurement

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

- Financial liabilities at fair value through profit or loss

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.
- Financial liabilities subsequently measured at amortized cost

  This is the category most relevant to the Company. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- Offsetting of financial instruments

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

- Derecognition

  The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

u. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs (with 2 decimals) as per the requirement of Sch III, unless otherwise stated.

2. Critical estimates & Judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities & contingent assets. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying number of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Estimated useful life of Property, Plant and Equipment & Intangible Assets

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation/amortisation expense in future periods. - Refer Note 3(a) & Note 4.

b. Impairment of non-financial assets

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

c. Estimation of current tax expense and deferred tax

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

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss. - Refer Note 20.

d. Estimation of Defined Benefit Obligation

The cost of the defined benefit gratuity plan and compensated absences and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. - Refer Note 29(ii)

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates.

e. Estimation for Litigation

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Refer Note 31.

f. Leases

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

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

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

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

On March 11, 2020, the World Health Organization declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020.

The business has been severely impacted during the year on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year and a significant number of the Company's hotels had to be shut down. With the unlocking of restrictions, all the Company's hotels have been opened and business is expected to gradually improve across all hotels. During the second half of the year, the Company witnessed some signs of recovery of demand, especially in leisure destinations. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some States, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation.

The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has adequate funds at its disposal and the Management is confident of securing additional financing, as required, for the next 12 months to enable the Company to meet its debts and obligations as they fall due. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 (a) : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ in lakhs

	Freehold Land Refer Footnote (i)	Buildings Refer Footnote (ii)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital Work in Progress
Cost								
At April 1, 2020	1,971.78	28,282.86	22,911.00	9,027.86	1,065.49	375.37	63,634.36	729.01
Additions	-	983.17	1,130.54	367.78	31.00	-	2,512.49	4,226.68
Disposals	-	191.17	178.94	49.33	5.49	-	424.93	4,564.81
As at March 31, 2021	**1,971.78**	**29,074.86**	**23,862.60**	**9,346.31**	**1,091.00**	**375.37**	**65,721.92**	**390.88**
Depreciation								
At April 1, 2020	-	4,071.66	6,729.16	2,755.62	606.50	159.82	14,322.76	-
Charge for the year	-	1,269.61	1,709.55	826.96	159.45	34.48	4,000.05	-
Disposals / Adjustments	-	30.04	99.72	31.76	5.13	-	166.65	-
As at March 31, 2021	**-**	**5,311.23**	**8,338.99**	**3,550.82**	**760.82**	**194.30**	**18,156.16**	**-**
Net Block								
At March 31, 2020	1,971.78	24,211.20	16,181.84	6,272.24	458.99	215.55	49,311.60	729.01
As at March 31, 2021	**1,971.78**	**23,763.63**	**15,523.61**	**5,795.49**	**330.18**	**181.07**	**47,565.76**	**390.88**

₹ in lakhs

	Freehold Land Refer Footnote (i)	Buildings Refer Footnote (ii)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital Work in Progress
At April 1, 2019	1,971.78	27,764.47	21,632.34	8,690.77	988.26	375.94	61,423.56	505.91
Additions	-	675.68	1,543.56	367.05	106.27	-	2,692.56	223.10
Disposals	-	157.29	264.90	29.96	29.04	0.57	481.76	-
At March 31, 2020	**1,971.78**	**28,282.86**	**22,911.00**	**9,027.86**	**1,065.49**	**375.37**	**63,634.36**	**729.01**
Depreciation								
At April 1, 2019	-	2,997.89	5,042.97	1,952.13	457.86	125.77	10,576.62	-
Charge for the year	-	1,158.10	1,812.86	823.72	166.95	34.48	3,996.11	-
Disposals / Adjustments	-	84.33	126.67	20.23	18.31	0.43	249.96	-
At March 31, 2020	**-**	**4,071.66**	**6,729.16**	**2,755.62**	**606.50**	**159.83**	**14,322.76**	**-**
Net Block								
At March 31, 2019	**1,971.78**	**24,766.58**	**16,589.37**	**6,738.64**	**530.40**	**250.17**	**50,846.94**	**505.91**
At March 31, 2020	**1,971.78**	**24,211.20**	**16,181.84**	**6,272.24**	**458.99**	**215.55**	**49,311.60**	**729.01**

Footnotes:

(i) Cost of Freehold land includes ₹ 4.32 lakhs pending registration (previous year ₹ 4.32 lakhs)

(ii) Gross Block includes

  (a) Improvements to buildings constructed on leasehold land - ₹ 24,667.95 lakhs (previous year - ₹ 23,879.09 lakhs)

  (b) Cost of shares of Co-operative Societies in case of Residential Buildings

Note 3b : Right-of-Use Assets

₹ in lakhs

	Land	Building	Total
Cost			
At April 1, 2020	7,064.62	2,443.04	9,507.66
Addition on acquisition	-	-	-
Additions	2.98	-	2.98
Deductions for the year (foot note 2)	-	2,418.67	2,418.67
As at March 31, 2021	**7,067.60**	**24.37**	**7,091.97**
Depreciation			
At April 1, 2020	125.56	72.00	197.56
Charge for the year	125.73	0.39	126.11
Deductions for the year (foot note 2)	-	71.99	71.99
As at March 31, 2021	**251.29**	**0.40**	**251.68**
Net Block			
At March 31, 2020	**6,939.06**	**2,371.04**	**9,310.10**
As at March 31, 2021	**6,816.32**	**23.97**	**6,840.29**

₹ in lakhs

	Land	Building	Total
Cost			
At April 1, 2019			
Opening Adjustments	6,654.26	2,499.79	9,154.05
Addition on acquisition	-	-	-
Additions	410.36	2.15	412.51
Deductions for the year	-	58.90	58.90
As at March 31, 2020	**7,064.62**	**2,443.04**	**9,507.66**
Depreciation			
At April 1, 2019			
Opening Adjustments	-	-	-
Charge for the year	125.56	78.56	204.12
Deductions for the year	-	6.56	6.56
As at March 31, 2020	**125.56**	**72.00**	**197.56**
Net Block			
As at March 31, 2020	**6,939.06**	**2,371.04**	**9,310.10**

Footnotes:

1. Company's leased assets mainly comprise land and hotel properties. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 60-99 years (Previous year 30-99 years). The average lease term remaining is 54 years (Previous year 42 years).
2. During the current year, lease term of one of the properties re-assessed considering strategic importance of the property for the Company's business and the resultant impact on remeasurement of lease liabilities adjusted to Right-of-Use Asset balance in accordance with Ind AS 116.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 4 : Intangible Assets

₹ in lakhs

	Website Development Cost	Software (Refer Footnote)	Total
Cost			
At April 1, 2020	4.38	506.43	510.81
Additions	-	8.67	8.67
Disposals	-	-	-
As at March 31, 2021	**4.38**	**515.10**	**519.48**
Amortisation			
At April 1, 2020	4.38	371.88	376.26
Charge for the year	-	62.87	62.87
Disposals / Adjustments	-	-	-
As at March 31, 2021	**4.38**	**434.75**	**439.13**
Net Block			
At March 31, 2020	**-**	**134.55**	**134.55**
As at March 31, 2021	**-**	**80.35**	**80.35**

₹ in lakhs

	Website Development Cost	Software (Refer Footnote)	Total
Cost			
At April 1, 2019	4.38	487.22	491.60
Additions	-	20.16	20.16
Disposals	-	0.95	0.95
At March 31, 2020	**4.38**	**506.43**	**510.81**
Amortisation			
At April 1, 2019	4.38	298.50	302.88
Charge for the year	-	74.33	74.33
Disposals / Adjustments	-	0.95	0.95
At March 31, 2020	**4.38**	**371.88**	**376.26**
Net Block			
At March 31, 2019	**-**	**188.72**	**188.72**
At March 31, 2020	**-**	**134.55**	**134.55**

Footnote:

Software includes Customer Reservation System and other licensed software.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 5 (a) : Non-Current Investments

₹ in lakhs

	Face Value		March 31, 2021 Holdings As at	March 31, 2021 Value	March 31, 2020 Holdings As at	March 31, 2020 Value
Fully Paid Unquoted Equity Instruments						
Investments in Subsidiary Companies (At cost)						
Piem International (H. K.) Limited (Wholly Owned)	$	10	8,00,000	2,825.34	8,00,000	2,825.34
Northern India Hotels Limited	₹	10	4,12,083	627.35	4,12,083	627.35
				3,452.69		**3,452.69**
Investments in Associates (At cost)						
Taida Trading and Industries Limited*	₹	100	34,400	34.42	34,400	34.42
TAL Hotels and Resorts Limited	$	1	2,80,108	132.69	2,80,108	132.69
Taj Karnataka Hotels and Resorts Ltd.	₹	10	3,00,000	30.00	3,00,000	30.00
Roots Corporation Limited	₹	10	65,35,948	5,000.00	65,35,948	5,000.00
Inditravel Limited	₹	10	1,89,002	18.91	1,89,002	18.91
Taj Trade and Transport Company Limited	₹	10	8,86,500	140.38	8,86,500	140.38
				5,356.40		**5,356.40**
Investment in Other Companies (Refer footnote)						
Damania Airways Ltd. *	₹	10	500	0.15	500	0.15
Smile and Care Products Pvt. Ltd.*	₹	10	49,800	4.98	49,800	4.98
MPOWER Information Systems Pvt Ltd.*	₹	10	30,000	3.00	30,000	3.00
				8.13		**8.13**
Fully Paid quoted Equity Instruments						
Investment in Associates (At cost)						
Beneras Hotels Limited	₹	10	54,063	5.41	54,063	5.41
Oriental Hotels Company Limited	₹	1	36,57,170	596.81	36,57,170	596.81
				602.22		**602.22**
Investment in Other Companies (Fair Value Through OCI)						
Tulip Star Hotels Limited	₹	10	35,800	13.78	35,800	9.67
Titan Company Limited	₹	1	4,00,000	6,229.60	5,00,000	4,667.50
				6,243.38		**4,677.17**
Total Non-current Investments - Gross				**15,662.82**		14,096.61
Less: Provision for Diminution in value of Investments				42.55		42.55
Total Non-current Investments - Net				**15,620.27**		**14,054.06**

Footnotes:

(i)	Aggregate amount of Quoted Investments	: Carrying Value	6,845.60	: Carrying Value	5,279.39
		: Market Value	7,767.07	: Market Value	6,200.85
(ii)	Aggregate amount of Unquoted Investments	: Cost	8,817.22	: Cost	8,817.22
(iii)	Aggregate amount of impairment in value of investments		42.55		42.55

(iv) During the year, 1,00,000 shares of Titan Company Limited have been sold and entire profit of ₹ 1,125.37 lakhs has been transferred directly from OCI to Retained Earnings within Other Equity in Balance Sheet.

*Provision for diminution is created for these investments.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 5 (a) : Current Investments

₹ in lakhs

	March 31, 2021		March 31, 2020	
	Units	Amount	Units	Amount
Investments in Mutual Fund Units (Unquoted)				
Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth- Regular Plan	-	-	1,85,599	2,001.19
Total Current Investments		**-**		**2,001.19**

Footnote:

(i) Aggregate amount of Investments	: NAV	-	: NAV	2,001.19

Note 5 (b) : Other Financial Assets

₹ in lakhs

	March 31, 2021	March 31, 2020
A) Non Current		
Deposits with Public Bodies and Others at amortised cost		
Public Bodies and Others	286.83	290.00
	286.83	**290.00**
Advance to Employees	18.75	23.72
Deposits with Bank	90.42	84.22
	396.00	**397.94**
B) Current		
Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Others	12.60	4.41
	12.60	**4.41**
Deposit with public bodies and others	77.70	82.36
Other advances		
Considered good	396.61	464.56
Considered doubtful	4.87	4.87
	401.48	**469.43**
Less: Provision for Advances doubtful of recovery	4.87	4.87
	396.61	**464.56**
Interest receivable		
Others	44.76	15.00
	44.76	**15.00**
On Current Account dues:		
Related Parties	113.80	12.84
Others	30.53	27.65
	144.33	**40.49**
	676.00	**606.82**

Note 5 (c) : Trade receivables

₹ in lakhs

	March 31, 2021	March 31, 2020
Others:		
Considered good	774.72	1,660.83
Credit impaired	179.00	130.19
	953.72	**1,791.02**
Less: Provision for Trade Receivables credit impaired (Refer footnote)	179.00	130.19
	179.00	**130.19**
	774.72	**1,660.83**

*** Footnotes:**

i) Provision for Trade Receivables credit impaired

₹ in lakhs

	March 31, 2021	March 31, 2020
Opening Balance	130.19	114.30
Add: Provision during the year	81.88	33.57
	212.07	**147.87**
Less: Bad debts written off against past provisions	-	-
Less: Reversal of provision no longer required	33.07	17.68
Closing Balance	**179.00**	**130.19**

ii) For impairment of trade receivables and significant increase in credit risk refer note 22

Note 5 (d) : Cash and bank balances

₹ in lakhs

	March 31, 2021	March 31, 2020
Cash and cash equivalents		
Cash on hand	30.68	32.30
Cheques, Drafts on hands	2.10	6.31
Balances with bank in current account	-	147.90
	32.78	**186.51**

Footnote:
Refer note 10(c)(B) for overdraft balance in case of current account with banks

Note 5 (d) : Bank Balances Other than Cash and Cash Equivalents

₹ in lakhs

	March 31, 2021	March 31, 2020
Unclaimed Dividend Account	-	0.10
Margin money deposits	779.53	572.75
Earmarked balances	46.04	43.33
	825.57	**616.18**
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/ Margin Money/ Pledged deposits classified as Non-Current (Note 5(b))	90.42	84.22
	735.15	**531.96**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6 : Other Current assets

₹ in lakhs

	March 31, 2021	March 31, 2020
Prepaid Expenses	379.96	293.79
Advance to Suppliers	158.79	197.38
Advance to Employees	16.58	27.68
Balance with Statutory Authorities	652.44	757.67
Export Incentive Scrips	475.62	76.82
Surplus in Gratuity Fund (refer note 29)	26.42	-
	1,709.81	**1,353.34**

Note 7 : Other non current assets

₹ in lakhs

	March 31, 2021	March 31, 2020
Capital Advances	244.40	470.89
Prepaid Expenses	30.38	31.52
Deposits for tax and other statutory dues	323.07	288.49
Export Incentive Receivable	243.78	663.20
	841.63	**1,454.10**

Note 8 : Inventories (At lower of cost and net realisable value)

₹ in lakhs

	March 31, 2021	March 31, 2020
Food and Beverages	531.87	795.89
Stores and Operating Supplies	210.61	219.32
	742.48	**1,015.21**

Note 9 (a) : Share Capital

₹ in lakhs

	March 31, 2021	March 31, 2020
Authorised Share Capital		
Ordinary Shares		
4,750,000 (Previous year - 4,750,000) Equity Shares of ₹ 10/- each	475.00	475.00
	475.00	**475.00**
Preference Shares		
18,000 (Previous year - 18,000) 9.5% First Redeemable Cumulative Preference Shares of ₹ 100/- each	18.00	18.00
	18.00	**18.00**
Preference Shares		
7,000 (Previous year - 7,000) 3% First Redeemable Cumulative Preference Share of ₹ 100/- each	7.00	7.00
	7.00	**7.00**
	500.00	**500.00**

Note 9 (a) : Share Capital (contd.)

₹ in lakhs

	March 31, 2021	March 31, 2020
Issued Share Capital		
3,810,000 (Previous Year - 3,810,000) Equity Shares of ₹ 10/- each	381.00	381.00
	381.00	**381.00**
Subscribed and Paid Up		
3,810,000 (Previous Year - 3,810,000) Equity Shares of ₹ 10/- each	381.00	381.00
(Refer Footnote (v))	**381.00**	**381.00**

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) During the year ended March 31, 2020, the amount of per share final dividend for financial year 2018-19 recognised as distribution to equity shareholders was ₹ 10/- per share.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2021		March 31, 2020	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
As at the beginning of the year	38,10,000	381.00	38,10,000	381.00
Add: Shares issued during the year	-	-	-	-
As at the end of the year	**38,10,000**	**381.00**	**38,10,000**	**381.00**

(iv) Share held by Holding Company and Subsidiary of Holding Company

	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Holding Company				
The Indian Hotels Company Limited (IHCL)	19,64,770	52%	19,64,770	52%

(v) Details of share held by other shareholders holding more than 5% the aggregate shares in the Company

	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Mr. Rajesh R. Nagpal	4,99,429	13%	4,99,429	13%
Mr. Sudhir L. Nagpal	5,09,757	13%	5,09,757	13%
New Vernon Private Limited	2,59,000	7%	2,59,000	7%
Mr. Rajkumar M. Nagpal	2,46,088	6%	2,46,088	6%
Mrs. Subhadra R. Nagpal	1,99,418	5%	1,99,418	5%

(vi) Aggregate number of shares allotted as fully paid pursuant to contracts without payment being received in cash, bonus shares and shares bought back for period of 5 years immediately preceeding Balance sheet date NIL (previous year NIL)

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 9 (b) : Other Equity

₹ in lakhs

	March 31, 2021	March 31, 2020
Reserves & Surplus		
Capital Reserve		
Opening and Closing Balance	375.61	375.61
Capital Redemption Reserve		
Opening and Closing Balance	77.00	77.00
Securities Premium		
Opening and Closing Balance	2,011.00	2,011.00
General Reserve		
Opening and Closing Balance	12,834.04	12,834.04
Retained Earnings		
Opening Balance	41,972.57	42,170.87
Add: Current Year profits/ (Loss)	(6,875.77)	796.87
Less: Appropriations		
Final Dividend	-	(381.00)
Tax on Final Dividend	-	(78.32)
DDT Refund (Refer Footnote (b) below)	-	270.87
Transfer of Profit on OCI Equity Inst. To Retained Earnings (refer footnote (iv) to note 5(a))	1,125.37	-
Adjustment on account of IndAS 116 Transition	-	(801.39)
Transfer to/(from) Revaluation Reserve	-	-
Add: Remeasurement of post employment benefit obligation (net of taxes)	154.78	(5.33)
Closing retained earning	**36,376.95**	**41,972.57**
Other Comprehensive Income		
OCI - Equity Instruments (Not reclassified to P&L)		
Opening Balance	4,572.09	5,486.54
Less: Profit on Sale of Equity Instruments transferred to		
Retained Earnings (refer footnote (iv) to note 5(a))	(1,125.37)	-
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI (Net of Taxes)	2,439.74	(914.45)
Closing Balance	**5,886.46**	**4,572.09**
Total	**57,561.06**	**61,842.31**

Footnotes:

(a) Description of nature and purpose of each reserve

a) **Capital Reserve:** Capital reserve mainly consists of excess of assets acquired over purchase consideration in case of purchase of hotels in the past.

b) **Capital Redemption Reserve:** Capital Redemption Reserve was created on redemption of Preference shares in earlier years.

c) **Securities Premium:** Securities premium represents the premium charged to the shareholders at the time of issuance of equity shares. The securities premium can be utilised based on the relevant requirements of the Companies Act, 2013.

d) **General Reserve:** General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes based on the provisions of the Companies Act prior to its amendment.

e) **Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on the revaluation of investments in equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such investments are disposed off.

(b) During the previous year, the company had received DDT refund of ₹ 270.87 lakhs from Income Tax department pertaing to A.Y. 2014-15. Application for interest on refund has been filed with the department

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 10 (a) : Other financial liabilities

₹ in lakhs

	March 31, 2021	March 31, 2020
A) Non Current financial liabilities		
Deposits from others		
Unsecured	13.40	22.74
	13.40	**22.74**
Creditors for Capital goods and services	-	123.09
	13.40	**145.83**

₹ in lakhs

	March 31, 2021	March 31, 2020
B) Current financial liabilities		
Current maturities of long term borrowings		
Term loans from Banks	90.00	-
	90.00	**-**
Payables on Current Account dues:		
Related Parties	9.74	10.73
Others	15.27	22.07
	25.01	**32.80**
Deposits from others		
Unsecured	101.86	97.47
	101.86	**97.47**
Interest accrued but not due on borrowings at amortised costs	-	8.01
Creditors for capital expenditure	378.31	527.89
Unclaimed dividend	-	0.10
Employee related liabilities	499.80	1,034.42
Others	43.78	48.41
	1,138.76	**1,749.10**

Footnote:

There are no amounts due to be transferred to Investor Education and Protection Fund during the current year as well as previous year.

Note 10 (b) : Trade Payables

₹ in lakhs

	March 31, 2021	March 31, 2020
Trade Payables		
Micro and Small Enterprises (Refer Footnote (i) and (ii))	178.03	31.15
	178.03	**31.15**
Other than Micro and Small Enterprises		
Vendor Payables	2,182.05	3,070.41
Accrued expenses and others	1,223.96	927.34
	3,406.01	**3,997.75**

Footnotes:

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

(ii) For the disclosures relating to Micro and Small Enterprises refer Note 26

(iii) For related party balances refer Note 32.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 10 (c) : Financial Liabilities

₹ in lakhs

	March 31, 2021	March 31, 2020
A) Long term borrowings		
Term Loan from Banks		
Secured (Refer Footnote (i))	3,600.00	-
	3,600.00	-
Less: Current Maturites of Long Term Borrowings (shown under other Current Financial Liabilities) (Refer Note 10(a))	90.00	-
	3,510.00	-
Long term maturities of finance lease obligations	7,290.98	9,455.03
	7,290.98	**9,455.03**
B) Current borrowings		
Loans repayable on demand from Bank		
Unsecured	64.43	-
	64.43	-
Borrowings from Related Parties	4,000.00	4,008.01
Total Short term borrowings	**4,064.43**	**4,008.01**
Less: Interest accurred (included in note10 (a))	-	8.01
Total Borrowings	**4,064.43**	**4,000.00**

Footnote:

(i) Term Loan from Banks (Secured) amounting to ₹ 36 crores is repayable over a period of 6 years (including morotorim of one year) from the date of the first drawdown with the final maturity date of December 11, 2026. The Company is in the process of creating a charge on certain immovable properties against this loan.

Note 10(c) : Net Debt Reconciliation

₹ in lakhs

	March 31, 2021	March 31, 2020
Cash and cash equivalents	32.78	186.51
Liquid investments	-	2,001.19
Current borrowings including interest	(4,064.43)	(4,008.01)
Non-current borrowings (Including current maturity shown under Other Current Financial Liabilities)	(3,600.00)	-
Net (debt) / Cash & Cash Equivalents	**(7,631.65)**	**(1,820.31)**

₹ in lakhs

	Other Assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid Investments	Non-current borrowings	Current borrowings	
Net (debt) / Cash & Cash Equivalents as at April 1, 2019	385.17	416.32	-	(2,234.30)	(1,432.81)
Cash Flows	(198.66)	1,557.87	-	(1,800.00)	(440.78)
Interest expense	-	-	-	(275.80)	(275.80)
Interest paid	-	-	-	302.09	302.09
-Fair value adjustments	-	27.00	-	-	27.00
(Net debt) / Cash & Cash Equivalents as at March 31, 2020	**186.51**	**2,001.19**	**-**	**(4,008.01)**	**(1,820.31)**

Note 10(c) : Net Debt Reconciliation (contd.)

₹ in lakhs

	Other Assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid Investments	Non-current borrowings	Current borrowings	
Cash Flows	(153.74)	(2,014.73)	-	-	(2,168.46)
Secured - Bank Borrowings	-	-	(3,600.00)	-	(3,600.00)
Unsecured - Bank Borrowings	-	-	-	(64.43)	(64.43)
Interest expense	-	-	(95.75)	(457.26)	(553.01)
Interest paid	-	-	95.75	465.27	561.02
-Fair value adjustments	-	13.54	-	-	13.54
(Net debt) / Cash & Cash Equivalents as at March 31, 2021	**32.78**	**-**	**(3,600.00)**	**(4,064.43)**	**(7,631.65)**

Note 11 : Provisions

₹ in lakhs

	March 31, 2021	March 31, 2020
A) Long term provisions		
Employee Benefit Obligation (Non-current)		
Leave obligations	534.24	565.29
	534.24	**565.29**
B) Short term provisions		
Employee Benefit Obligation (Current)		
Leave obligations	95.84	101.23
Gratuity (refer note 29)	-	124.24
	95.84	**225.48**
Provision for Contingencies (Refer Note 31)	758.93	699.07
	758.93	**699.07**
Total Short term provisions	**854.77**	**924.54**

Note 12 : Deferred Tax (Assets) / Liabilities (Net)

₹ in lakhs

	March 31, 2021	March 31, 2020
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	2,721.14	2,721.05
Long Term Capital Gain - FVTOCI	320.72	37.65
Others	12.63	15.26
Total (A)	**3,054.49**	**2,773.96**
Deferred Tax Assets:		
DTA on Unabsorbed Losses	2,966.63	489.93
DTA-MAT credit entitlement	2,021.85	2,021.85
Provision for Compensated Absences	175.29	233.39
Liabilities / Provisions that are deducted for tax purposes when paid	327.69	248.75
Allowance for Doubtful Debts/ Advances	51.35	39.62
Provision for Contingencies - Others	10.32	10.81
Right-of-Use Assets (net of Lease Liabilities)	667.13	467.39
Total (B)	**6,220.26**	**3,511.74**
Net Deferred Tax (Assets) / Liabilities (A-B)	**(3,165.77)**	**(737.78)**

Footnote:

Refer note 20 for detailed disclosures

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 13 : Other non financial Liabilities

₹ in lakhs

	March 31, 2021	March 31, 2020
Income received in advance	21.27	38.61
Advances collected from customers and others	526.57	641.05
Statutory dues	429.15	502.52
	976.98	**1,182.18**

Note 14 : Revenue from Operations

₹ in lakhs

	March 31, 2021	March 31, 2020
Room Income, Food, Restaurants and Banquet Income	14,315.39	36,440.15
Membership fees	2.13	4.41
Others	680.71	2,030.04
Total Revenue	**14,998.23**	**38,474.60**

Note 15 : Other Income

₹ in lakhs

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Deposits with banks	39.46	41.30
Others	17.27	20.85
	56.73	**62.15**
Interest on Income Tax Refunds	24.45	-
Total	**81.18**	**62.15**
Dividend Income from non-current investments		
From related parties	29.02	37.75
From others (FVTOCI)	-	25.00
Profit on sale of assets (Net)	1.71	4.23
Profit on sale of Investments (Net) (FVTPL)	14.36	28.28
Exchange Gain (Net)	-	-
Gain on termination of Ind AS 116 Lease / waiver of lease rent	97.27	37.53
Others	178.90	262.67
Total	**402.44**	**457.61**

Note 16 : Food and Beverages Consumed

₹ in lakhs

	March 31, 2021	March 31, 2020
Opening Stock	795.90	713.58
Add: Purchases	1,824.97	4,592.74
	2,620.87	**5,306.32**
Less: Closing Stock	531.86	795.90
Food and Beverages Consumed	**2,089.01**	**4,510.42**

Note 17 : Employee Benefit Expenses and Payment to Contractors

₹ in lakhs

	March 31, 2021	March 31, 2020
Salaries, Wages, Bonus etc.	4,874.63	6,207.53
Company's Contribution to Provident and Other Funds (refer note 29)	445.18	440.95
Reimbursement of Expenses on Personnel Deputed to the Company	1,655.16	2,056.20
Payment to Contractors	513.16	1,003.31
Staff Welfare Expenses	719.26	1,204.30
Total	**8,207.39**	**10,912.29**

Note 18 : Finance costs

₹ in lakhs

	March 31, 2021	March 31, 2020
Interest Expense at effective interest rate on borrowings	553.01	275.81
	553.01	**275.81**
Interest cost on Lease Liabilities	718.31	938.04
Total	**1,271.32**	**1,213.85**

Note 19 : Other Operating and General Expenses

₹ in lakhs

	March 31, 2021	March 31, 2020
(i) Operating expenses consist of the following:		
Linen and Room Supplies	259.29	544.09
Catering Supplies	244.81	302.66
Other Supplies	62.13	72.17
Fuel, Power and Light	2,066.32	3,322.26
Repairs to Buildings	229.44	442.69
Repairs to Machinery	518.79	783.51
Repairs to Others	58.76	164.64
Linen and Uniform Washing and Laundry Expenses	230.40	524.47
Payment to Orchestra Staff, Artistes and Others	358.34	754.00
Guest Transportation	121.22	353.63
Travel Agents' Commission	226.15	466.58
Sales Distribution Expenses	29.31	-
Discount to Collecting Agents	113.79	279.28
Other Operating Expenses	244.23	836.78
Total	**4,762.98**	**8,846.76**
(ii) General expenses consist of the following:		
Rent	256.30	267.59
Licence Fees	395.30	766.48
Rates and Taxes	661.76	1,073.34
Insurance	196.56	109.00
Advertising and Publicity	638.89	2,146.75
Printing and Stationery	70.79	151.81
Passage and Travelling	6.29	84.16
Provision for Doubtful Debts	49.90	16.41
Expenditure on Corporate Social Responsibility (Refer Note 37)	22.15	43.28
Management Fees	826.27	1,853.94

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 19 : Other Operating and General Expenses (contd.)

₹ in lakhs

	March 31, 2021	March 31, 2020
Reservation and Information system	147.31	371.77
Brand Common Cost	147.31	371.77
Professional fees	150.98	295.17
Outsourced Support Services	288.02	377.05
Exchange Loss (Net)	2.63	2.14
Loss on Sale / Scrapping of Fixed Assets (Net)	236.21	204.17
Payment made to Statutory Auditors		
i. As Auditors	49.45	49.45
ii. As Tax Auditors	6.90	6.90
iii. For Other Services	4.45	4.73
iv. For Reimbursement of expenses	1.42	2.43
Directors Sitting Fees and Commission	21.30	23.00
Other Expenses	321.63	538.29
Total	**4,501.81**	**8,759.63**
	9,264.79	**17,606.39**

Note 20 : Income tax expense

a) Income tax expense

₹ in lakhs

	March 31, 2021	March 31, 2020
Current Tax		
Current Tax on profits for the year	-	140.81
	-	**140.81**
Deferred Tax		
In respect of the current year	(2,663.86)	(12.26)
In respect of earlier years	(25.60)	-
Adjustment to Deferred Tax attributable to change in Tax Rates	(55.64)	(229.80)
Total deferred tax expense/(benefit)	**(2,745.10)**	**(242.06)**
Income tax expense	**(2,745.10)**	**(101.25)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Profit before tax from continuing operations (a)	(9,620.87)	695.62
Income tax rate as applicable (b)	27.82%	29.12%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(2,676.53)	202.57
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	-	(17.43)
Effect of expenses that are not deductible in determining taxable profit	6.59	35.27
Effect on deferred tax balances due to the change in income tax rate	(55.64)	(229.80)
Recognition of previously unrecognised deferred taxes	(25.60)	-
Income subject to lower rate of income tax	-	(78.15)
Others	6.08	(13.71)
Income tax expense recognised in profit or loss (relating to continuing operations)	**(2,745.10)**	**(101.25)**

Note 20 : Income tax expense (contd.)

(c) Income Tax recognised in Other Comprehensive Income

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current Tax		
	-	-
Deferred Tax		
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investments in equity shares at fair value through other comprehensive income	257.45	(119.14)
Re-measurement of Defined Benefit Obligation	59.66	(2.19)
Total	**317.11**	**(121.33)**
Total Income tax recognised in Other comprehensive Income	**317.11**	**(121.33)**

During the current as well as previous year, the Company has recognised Deferred tax assets on unabsorbed business losses and unabsorbed Depreciation as it is confident that it will be able to generate sufficient taxable profits (post recovery from Covid 19 pandemic) against which these unabsorbed business losses and depreciation can be utilised.

Note 21 : Financial Instruments

Fair value hierarchy pertaining to financial instruments measured at fair value on recurring basis

₹ in lakhs

As of March 31, 2021:	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares	6,243.38	-	-	6,243.38
Debt Funds	-	-	-	-
Total	**6,243.38**	**-**	**-**	**6,243.38**

₹ in lakhs

As of March 31, 2020:	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares	4,677.17	-	-	4,677.17
Liquid Funds	2,001.19	-	-	2,001.19
Total	**6,678.36**	**-**	**-**	**6,678.36**

Footnotes:

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

(ii) The carrying amounts of the borrowings that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 21 : Financial Instruments (contd.)

The carrying value of financial instruments by categories is as follows:

As on March 31, 2021

₹ in lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies	-	6,243.38	-	6,243.38
Debt Funds	-	-	-	-
Trade Receivables	-	-	774.72	774.72
Cash and cash equivalents	-	-	32.78	32.78
Bank Balances other than cash & cash equivalents	-	-	735.15	735.15
Other financial assets	-	-	1,072.00	1,072.00
Total - Financial Assets	**-**	**6,243.38**	**2,614.65**	**8,858.03**
Financial liabilities:				
Lease Liabilities	-	-	7,304.80	7,304.80
Borrowings	-	-	7,664.43	7,664.43
Trade Payables including capital creditors	-	-	3,962.34	3,962.34
Deposits	-	-	115.26	115.26
Other financial liabilities	-	-	568.60	568.60
Total - Financial Liabilities	**-**	**-**	**19,615.43**	**19,615.43**

As on March 31, 2020

₹ in lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies	-	4,677.17	-	4,677.17
Debt Funds	2,001.19	-	-	2,001.19
Trade Receivables	-	-	1,660.83	1,660.83
Cash and cash equivalents	-	-	186.51	186.51
Bank Balances other than cash & cash equivalents	-	-	531.96	531.96
Other financial assets	-	-	1,004.75	1,004.75
Total - Financial Assets	**2,001.19**	**4,677.17**	**3,384.05**	**10,062.41**
Financial liabilities:				
Lease Liabilities	-	-	9,467.43	9,467.43
Borrowings	-	-	4,000.00	4,000.00
Trade Payables including capital creditors	-	-	4,679.87	4,679.87
Deposits	-	-	120.21	120.21
Other financial liabilities	-	-	1,123.75	1,123.75
Total - Financial Liabilities	**-**	**-**	**19,391.26**	**19,391.26**

Note: The above excludes investments in subsidiaries and associates amounting to ₹ 9,411.31 Lakhs (PY ₹ 9,411.31 Lakhs).

Note 22 : Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance team provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, currency risk is not significant for the Company since the Company has only Indian Rupee Borrowings.

Interest Rate Risk

The total borrowing at variable rate was ₹ 3,600.00 Lakhs as at March 31, 2021 (Previous year - ₹ Nil). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

Price Risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI. If the equity prices of quoted investments are 3% higher / lower, the Other Comprehensive Income for the year ended March 31, 2021 would increase/ decrease by ₹ 187.30 Lakhs (for the year ended March 31, 2020: increase / decrease by ₹ 140.31 Lakhs).

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Credit limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority.

Particulars	March 31, 2021	March 31, 2020
No of Customers who owed more than 5% of the Total receivables	-	1
Contribution of Customers in owing more than 5% of Total receivables	-	7.23%

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 22 : Financial risk management objectives and policies (contd.)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Expiring within one year:		
Cash credit and Bank overdraft	2,036	500
Expiring beyond one year	-	-
Total	**2,036**	**500**

The bank overdraft facilities may be drawn at any time by the Company.

The breakup of the borrowings into fixed and floating interest rates is as follows:

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed interest rate	4,000	4,000
Floating interest rate	3,600	-
Total	**7,600**	**4,000**

ii) Maturities of financial liabilities

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

₹ in lakhs

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due from 6th year onwards	Total
Year ended March 31, 2021					
Lease Liabilities	822.27	822.27	2,612.01	73,738.80	77,995.35
Borrowings	4,154.43	405.00	2,205.00	900.00	7,664.43
Other financial liabilities	1,048.76	13.40	-	-	1,062.16
Trade and other payables	3,584.03	-	-	-	3,584.03
	9,609.49	**1,240.67**	**4,817.01**	**74,638.80**	**90,305.97**

Note 22 : Financial risk management objectives and policies (contd.)

₹ in lakhs

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due from 6th year onwards	Total
Year ended March 31, 2020					
Lease Liabilities	776.19	776.19	2,425.37	71,936.82	75,914.57
Borrowings	4,000.00	-	-	-	4,000.00
Other financial liabilities	1,749.10	145.83	-	-	1,894.93
Trade and other payables	4,028.90	-	-	-	4,028.90
	10,554.19	**922.02**	**2,425.37**	**71,936.82**	**85,838.40**

iii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investments.

₹ in lakhs

Particulars	Note	March 31, 2021
Borrowings	10(c)	3,600.00
Less: Cash and cash equivalents	5(d)	32.78
Less: Current Investments		-
Net Debt		3,567.22
Equity	9(a) &9(b)	57,942.05
Gearing Ratio		0.06

Note: As no Term Loans availed in the Previous year, comparative period figures are not applicable.

Note 23 : Contingent Liabilities

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Minimum amount to be paid to Punjab Urban Development Authority (PUDA) for Amritsar as per Revenue sharing Agreement. (Note)	400.00	400.00
Employee termination/ resignation cases	2.84	2.84
Demand raised by Tahsildar towards evacuation not approved	94.75	94.75
Total	**497.59**	**497.59**
(b) Guarantees		
Guarantee given to PUDA	1,220.00	1,220.00
Guarantee given to Local Authorities	45.00	45.00
Guarantee given for Foreign cars	7.11	7.11
Total	**1,272.11**	**1,272.11**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 23 : Contingent Liabilities (contd.)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(c) Other money for which the Company is contingently liable		
Income Tax	-	38.52
Luxury Tax	11.55	11.55
Entertainment Tax	1.11	1.11
Sales Tax/VAT	62.25	15.76
Property Tax	87.65	87.65
Service Tax & Excise Duty	639.88	850.24
Others (Water & Sewerage Tax)	88.00	88.00
Total	**890.44**	**1,092.83**

Note:

The Punjab Urban Development Authority (PUDA) has contested the order passed by the Appellate Authority - Punjab Infrastructure Regulatory Authority (PIRA) at the High Court granting an extension of one year in the completion date of the Amritsar Project. The Company will be liable to pay the concession fee for the aforesaid period in case the above claim is upheld by the High Court.

Details of amounts paid under protest and accounted under 'Deposits for tax and other statutory dues' & 'Margin Money Deposit'

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Property Tax	293.84	274.43
VAT	14.45	12.46
Service Tax	-	3.50
Entertainment Tax	0.10	0.10
Total	**308.39**	**290.44**

The Company has been advised by its legal counsel that it is only possible, but not probable, that the actions initiated will succeed. Accordingly, no provision for any liability has been made in these financial statements.

Note 24 : Contingent Asset

The Company has instituted a suit against a Bank for recovery of rent amounting to ₹ 19.85 lakhs, as they continued to occupy the area leased to them at a hotel, even after the expiry of the lease agreement. The amount of refund receivable (if any) can be determined only on the conclusion of litigation.

Contingent assets are not recognized in the financial statements.

Note 25 : Capital Commitments

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	1,463.80	1,760.11
Intangible assets	-	-
Total	**1,463.80**	**1,760.11**

Note 26 : Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	178.03	31.15
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

Note 27 : Ind AS 116 related Disclosures

The Company has taken land and immovable properties on lease which are generally long term in nature with varying terms, escalation clauses and renewal rights expiring within forty-seven to sixty-two years. On renewal, the terms of the leases are renegotiated.

Total lease liabilities are analysed as follows:

₹ in lakhs

Denominated in the following currencies:	March 31, 2021	March 31, 2020
Indian Rupees	**7,304.80**	**9,467.43**
Other Currencies	-	-
Current	13.81	12.40
Non-current	7,290.99	9,455.03
Total	**7,304.80**	**9,467.43**

Amounts recognised in profit or loss

The following amounts were recognised as expense in the year:

₹ in lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of right-of-use Assets	126.11	204.13
Expense relating to variable lease payments	395.30	766.48
Expense relating to short-term leases and low-value assets	256.30	267.59
Interest on lease liabilities	718.31	938.04
Gain on Lease modifications/waiver of lease rent	(97.27)	(37.53)
Total recognised in Statement of Profit & Loss	**1,398.75**	**2,138.71**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 27 : Ind AS 116 related Disclosures (contd.)

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

Amounts recognised in the cash flow statement:

₹ in lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Minimum lease payments/Fixed rentals	50.27	743.00

Exposure to future cash flows:

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

₹ in lakhs

Maturity analysis:	March 31, 2021	March 31, 2020
Less than 1 year	822.27	776.19
Between 1 and 2 years	822.27	776.19
Between 2 and 5 years	2,612.01	2,425.37
More than 5 years	73,738.80	71,936.83
Total	**77,995.35**	**75,914.57**

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased for which no lease liability has been recognised as it is contingent in nature.

Note 28 : Lease Rental Income

Details of leasing arrangements

The Company has given on lease certain residential flats to its parent company for a lease period of 3 years (expiring on March 31, 2022). These arrangements are in the nature of cancellable lease and are generally renewable by mutual consent or mutual agreeable terms

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Cost	58.26	58.26
Accumulated Depreciation	18.96	15.80
Net Book Value	**39.30**	**42.46**
Current Period Depreciation	**3.16**	**3.16**

Note 29 : Employee Benefits

(i) Provident Fund

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

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Provident Fund	310.51	331.80
Superannuation Fund	3.13	2.96

(ii) Gratuity Benefits

The Company provides for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

The above defined benefit plan typically expose the Company to actuarial risks such as: **investment risk**, **interest rate risk, longevity risk and salary risk**.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to prevailing government security yields. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.
Interest risk	A decrease in the G-Sec yield will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability

Actuarial Valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.65%
Salary escalation: -		
Staff	5.00%	5.00%
Executive	4.00%	4.00%

Note: Mortality has been assumed as per published notes under the Indian Assured Lives Mortality (2012-14) table

Amount Recognized in the Balance Sheet

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Liability at the end of the year	2,375.77	2,351.25
Fair value of plan assets at the end of the year	2,402.19	2,227.01
Amount recognized in the Balance Sheet [(asset) / Liability]	**(26.42)**	**124.24**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 29 : Employee Benefits (contd.)

Reconciliation of Defined Benefit Obligation:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening Defined Benefit Obligation	2,351.25	2,153.50
Current service cost	143.53	133.55
Past Service Cost	0.00	(0.00)
Interest cost	143.43	152.17
Remeasurements due to actuarial loss/ (gain) arising from		
• Changes in financial assumptions	(24.86)	138.64
• Changes in demographic assumptions	0.00	0.00
• Experience adjustments	(60.93)	(60.18)
Benefits Paid	(176.65)	(166.43)
Liabilities assumed/ (settled)	0.00	0.00
Closing Defined Benefit Obligation	**2,375.77**	**2,351.25**

Reconciliation of Plan Assets

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Fair value of Plan Assets at the beginning of the year	2,227.01	2,097.53
Expected Return on Plan Assets	139.15	152.47
Actuarial (loss)/gain on Plan Assets	128.65	70.94
Contribution by Employer	84.03	72.50
Benefits paid	(176.65)	(166.43)
Assets acquired / (settled)	0.00	0.00
Fair value of Plan Assets at the end of the year	**2,402.19**	**2,227.01**

Expenses recognized in the Statement of Profit and Loss

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current service cost	143.53	133.55
Past Service Cost	0.00	0.00
Interest cost	4.27	(0.30)
Expense/(Reversal) recognized in the Statement of Profit and Loss	**147.80**	**133.25**

Amount recorded in Other Comprehensive Income

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening Amount recognised in OCI	63.19	55.67
Remeasurements in the period due to		
• Changes in Financial Assumption	(24.85)	138.64
• Change in Demographic Assumption	0.00	0.00
• Experience Adjustments	(60.93)	(60.18)
• Actual Return on Plan assets less interest on Plan Assets	(128.65)	(70.94)
Closing amount recognized in OCI	**(151.24)**	**63.19**

Note 29 : Employee Benefits (contd.)

Balance Sheet Reconciliation

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening net liability / (asset)	124.24	55.97
Expense/(Reversal) as above	147.80	133.25
Amount recognized outside Profit & loss account	(214.43)	7.52
Employers contributions	(84.03)	(72.50)
Amount recognized in Balance Sheet (asset)/Liability	(26.42)	124.24
Expected Employer's Contributions next year	120.00	120.00

The discount rate is based on the government bond yields for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity Analysis (for each defined benefit plan)

	March 31, 2021		March 31, 2020	
	Discount rate (%)	Salary Escalation rate (%)	Discount rate (%)	Salary Escalation rate (%)
Impact of increase in 50 bps on DBO	-3.35	3.62	-3.36	3.62
Impact of decrease in 50 bps on DBO	3.56	-3.43	3.57	-3.43

Disaggregation of Plan Assets

₹ in lakhs

Particulars	March 31, 2021			
	Quoted	Unquoted	Total	%
Insurer managed funds	-	2,253.01	2,253.01	94%
Government Debt Instruments	43.83	-	43.83	2%
Others	62.51	42.84	105.35	4%
Total	**106.34**	**2,295.85**	**2,402.19**	**100%**

₹ in lakhs

Particulars	March 31, 2020			
	Quoted	Unquoted	Total	%
Insurer managed funds	-	2,088.33	2,088.33	94%
Government Debt Instruments	43.83	-	43.83	2%
Others	62.51	32.34	94.85	4%
Total	**106.34**	**2,120.67**	**2,227.01**	**100%**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 29 : Employee Benefits (contd.)

Maturity Profile- Benefits

₹ in lakhs

	Amount
Expected benefits for year 1	366.32
Expected benefits for year 2	299.88
Expected benefits for year 3	231.36
Expected benefits for year 4	273.42
Expected benefits for year 5	169.00
Expected benefits for year 6	164.83
Expected benefits for year 7	179.64
Expected benefits for year 8	200.55
Expected benefits for year 9	158.81
Expected benefits for year 10 and above	2,162.83

The weighted average duration of these payments is 6.92 years.

Note 30 : IND AS 115 'Revenue from Contracts with Customers'

₹ in lakhs

Sr No	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
1	**Contract with Customers**		
	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Revenue from operations		
	Revenue from contract with customers		
	a) Room Income, Food & Beverages and Banquets	14,315.39	36,440.15
	b) Membership fees	2.13	4.41
		14,317.52	**36,444.56**
	Other operating revenue		
	a) Export Incentive	0.00	243.78
	b) Others	680.70	1,786.26
		680.70	**2,030.04**
	Total Income from operations	**14,998.23**	**38,474.60**
2	**Disaggregate Revenue**		
	The following table presents Company's revenue disaggregated by type of revenue stream		
	Revenue based on product and services		
	Revenue from contract with customers		
	a) Room Income	5,642.90	16,784.65
	b) Food & Beverages and Banquets	8,672.50	19,655.50
	c) Membership fees	2.13	4.41
	Other operating revenue		
	a) Export Incentive	0.00	243.78
	b) Others	680.70	1,786.26
3	The Company derives its revenue from the transfer of goods and services over time in its major service lines.		

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 30 : IND AS 115 'Revenue from Contracts with Customers' (contd.)

₹ in lakhs

Sr No	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
4	**Contract balances**		
	Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/ restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.		
	At April	755.33	698.44
	At March	613.75	755.33
	(The amounts reported herein are inclusive of GST.)		

Note 31 : Details of Provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ in lakhs

Particulars	As at April 1, 2020	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at March 31, 2021
Provision for other contingencies					
Entertainment Tax	**166.00**	-	-	-	**166.00**
	(166.00)	-	-	-	(166.00)
Sales Tax	-	-	-	-	-
	(78.78)	-	(78.78)	-	-
Property Tax	**483.76**	**59.86**	-	-	**543.62**
	(431.86)	(51.90)	-	-	(483.76)
Others	**49.31**	-	-	-	**49.31**
	(37.10)	(12.21)	-	-	(49.31)
Total	**699.07**	**59.86**	-	-	**758.93**
	(713.74)	(64.11)	(78.78)	-	(699.07)

₹ in lakhs

Particulars	As at April 1, 2020	Provisions during the year	Debtors written off against past provision	Provision written back	As at March 31, 2021
Provision for doubtful debts	130.19	81.88	-	33.07	179.00
	114.30	33.57	-	17.68	130.19

₹ in lakhs

Particulars	Provisions during the year	Provision written back	Debts written of in the past recovered	Net Expense
Provision for doubtful debts charged to P&L	82.97	33.07	-	49.90
	33.57	17.68	(0.52)	16.41

₹ in lakhs

Particulars	As at April 1, 2020	Provisions during the year	Advances written off against past provision	Provision written back	As at March 31, 2021
Provision for doubtful advances	4.87	-	-	-	4.87
	4.87	-	-	-	4.87

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 32 : Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

i. Holding Company

The Indian Hotels Company Limited (IHCL)

ii. Company having significant influence

Tata Sons Pvt. Ltd. (including its subsidiaries & joint ventures)

iii. Subsidiary Companies

Northern India Hotels Limited
Piem International (H.K.) Limited (PIHK)

iv. Associate Companies

Taida Trading and Industries Limited
Taj Enterprises Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Roots Corporation Limited
Benares Hotels Limited
Oriental Hotels Limited
Taj Karnataka Hotels and Resorts Limited.
TAL Hotels and Resorts Limited

v. Fellow Subsidiaries / Joint Ventures (to the extent of transactions carried during the period)

United Hotels Limited
Taj SATS Air Catering Limited

vi. Key Management Personnel

Mr. Puneet Chhatwal – Chairman & Managing Director
Mr. Sudhir L. Nagpal - Jt. Managing Director
Mr. Rajesh R. Nagpal - Jt. Managing Director
Mr. Rajkumar M. Nagpal - Executive Director

vii. Relatives of Key Management Personnel
(Parties with whom transactions were conducted during the year)

Ms. N. M. Nagpal
Ms. Beryl. F. Nagpal
Ms. Subhadra. R. Nagpal
Ms. Sansara. R. Nagpal

Note 32 : Related Party Transactions (contd.)

viii. Firms/Companies in which Key Management personnel are Interested

MPOWER Information Systems Pvt Limited

ix. Others

Taj Residency Employees Provident Fund Trust (Bangalore Unit)
Piem Hotel Employees Gratuity Trust
Taj Residency Hotel Employees Gratuity Trust

- **Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

₹ in lakhs

Particulars	Company having significant influence*		Holding Company		Subsidiaries		Associates		Fellow Subsidiaries / Joint Ventures	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchase of Goods & Services and Sharing of Expenses (Footnote 1)	**291.50**	454.98	**615.10**	1,610.57			**2.07**	6.43	**18.28**	1.64
Sale of Goods & Services	**116.36**	570.49	**35.74**	291.78	**-**	0.12	**2.31**	1.09	**0.00**	0.41
Interest Expense / (Income)	**410.18**	153.25	**-**	27.86					**-**	93.85
Lease Rent Income	**-**	-	**36.00**	36.00						
Lease Rent Expense	**-**	-	**36.00**	36.00						
Dividend Received	**-**	-				-	**-**	37.75		
Dividend Paid	**-**	-	**-**	196.48						
Inter Corporate Deposits Borrowed	**1,500.00**	5,500.00	**-**	-					**-**	2,300.00
Interest Accrued	**-**	8.01	**-**	-						
Inter Corporate Deposits Refunded	**1,500.00**	1,500.00	**-**	1,000.00					**-**	3,500.00
Consultation / License Fees	**-**	-	**804.31**	1,843.29	**47.15**	115.42				
Loyalty Expenses (Net of Redemption Credit)	**-**	-	**(245.71)**	340.16						
Deputed Staff Salary expenses	**-**	-	**1,434.20**	1,805.56			**93.97**	131.29	**48.88**	28.02
Net Balance at year end -Receivable/ (Payables)	**(4,018.57)**	**(4,041.13)**	**(839.14)**	**(1,150.99)**	**(24.94)**	**(37.37)**	**1.43**	**10.32**	**8.34**	**2.22**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 32 : Related Party Transactions (contd.)

₹ in lakhs

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Firm in which Key Management Personnel are Interested		Others	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchase of Goods & Services and Sharing of Expenses (Footnote 1)								
Sale of Services	-	-						
Interest Expense / (Income)								
Lease Rent Income								
Lease Rent Expense								
F&B Consumed								
Dividend Received								
Dividend Paid	-	125.53	-	24.70				
Inter Corporate Deposits Payable								
Interest Accrued								
Inter Corporate Deposits Refunded								
Consultation / License Fees								
Commission / Remuneration (Refer Footnote 2)	**419.69**	462.12	**3.55**	6.80				
Deputed Staff Salary expenses								
Contribution to Trust							**117.62**	99.87
Net Balance at year end -Receivable / (Payables)							**26.42**	(124.24)

* Including its subsidiaries and joint- ventures.

Footnotes:

1. Purchase of Goods and Services includes Advertisement, Reservation and Information system expenses and Brand Common Cost
2. Commission to Executive Directors is considered on payment basis.
3. Current account transactions and reimbursement transactions have not been considered for the purpose of above reporting.

• Compensation of key management personnel of the Company

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Short Term Employee Benefits	215.95	230.06
Other Long-term Benefits*	116.67	189.17
Post-employment Benefits	14.57	14.56
Total	**347.19**	**433.79**

* - The amounts disclosed in the table are the amounts recognised as an expense during the reporting period pertaining to commission & incentive to key management personnel.

• Statement of Material Transactions

₹ in lakhs

Particulars	2020 – 21	2019 – 20
Holding Companies		
The Indian Hotels Company Ltd (IHCL)		
- Purchase of Goods & Services	615.10	1,610.57
- Interest Expenses	-	27.86
- Sale of Goods & Services	35.74	291.78
- Dividend Paid	-	196.48

Note 32 : Related Party Transactions (contd.)

₹ in lakhs

Particulars	2020 – 21	2019 – 20
- Lease Rent Income	36.00	36.00
- Lease Rent paid	36.00	36.00
- Consultation / Licence Fees	804.31	1,843.29
- Inter Corporate Deposits Borrowed	-	-
- Inter Corporate Deposits Refunded	-	1,000.00
- Deputed Staff Salary paid	1,434.20	1,805.56
- Trade Receivable	102.00	166.88
- Deputed Staff Receivable	64.37	122.98
- Trade Payable	957.52	1,392.85
- Residential Deposit	48.00	48.00
Company having significant influence and its subsidiaries & joint ventures		
Tata Sons Private Limited		
- Sale of Goods & Services	40.79	141.00
- Trade Receivable	36.88	2.15
Tata Consultancy Services Limited		
- Purchase of Goods & Services	236.58	381.80
- Sale of Goods & Services	5.87	186.81
- Trade Payables	72.33	49.79
- Trade Receivable	6.37	26.68
Taj Air Limited		
- Inter Corporate Deposits Borrowed	1,500.00	5,500.00
- Inter Corporate Deposits Refunded	1,500.00	1,500.00
- Sale of Goods & Services	-	2.74
- Interest Expenses	410.18	153.25
- Borrowings	4,000.00	4,000.00
Tata Communications Limited		
- Purchase of Goods & Services	23.35	25.61
- Sale of Goods & Services	-	7.31
- Trade Payables	11.57	12.70
Tata AIA Life Insurance		
- Sale of Goods & Services	10.08	85.89
- Trade Receivable	9.95	1.25
Tata Sky Limited		
- Purchase of Goods & Services	9.00	24.67
- Sale of Goods & Services	0.09	11.60
- Trade Payables	7.69	10.97
- Trade Receivable	-	0.11
Associates		
Oriental Hotels Limited		
- Purchase of Goods & Services	-	2.60
- Sale of Goods & Services	-	0.14
- Deputed Staff Salary Paid	35.71	61.55
- Dividend Received	-	18.29
- Trade Payables	12.46	14.00
- Deputed Staff recoverable	10.83	10.75

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 32 : Related Party Transactions (contd.)

₹ in lakhs

Particulars	2020 – 21	2019 – 20
Subsidiaries		
a) Northern India Hotels Limited		
- Consultation / Licence Fees	47.15	115.42
- Interest Paid	-	-
- Miscellaneous Income	-	0.12
Key Management Personnel		
a) Mr. Rajkumar M. Nagpal		
- Commission / Remuneration	94.91	105.97
- Dividend Paid	-	24.61
b) Mr. Sudhir L. Nagpal		
- Commission / Remuneration	173.66	195.33
- Dividend Paid	-	50.98
c) Mr. Rajesh R. Nagpal		
- Commission / Remuneration	151.11	160.82
- Dividend Paid	-	49.94

Note 33 : Exceptional Item

Exceptional item of ₹ 280.92 Lakhs for the previous year ended March 31, 2020 represents profit arising out of sale of shares of Taj Enterprise Limited.

Note 34 : Earnings per Share

Earnings Per Share is calculated in accordance with IND AS 33 – 'Earnings Per Share'

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Profit/ (Loss) after tax	(6,875.77)	796.87
Number of Ordinary Shares	38.10	38.10
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS & Diluted EPS	38.10	38.10
Face Value per Ordinary Share in ₹	10	10
Earning Per Share:		
Basic/Diluted in ₹	(180.47)	20.92

Note 35 : Events occurring after the reporting period

There are no events occurring after the reporting period to be reported.

Note 36 : Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2021 and 31.03.2020.

Note 37 : Corporate Social Responsibility:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Amount required to be spent as per Section 135 of the Act	22.15	32.93
Amount Spent during the year on:		
(i) Construction/Acquisition of an asset	-	-
(ii) On purpose other than (i) above	22.15	43.28

Note 38 : Going Concern

Negative Working Capital

As at the year end, the Company's current liabilities have exceeded its current assets by ₹ 5,961.84 lakhs primarily on account of short term borrowings of ₹ 4,000.00 lakhs and provision for contingencies of ₹ 758.93 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 is facing significant uncertainties due to COVID-19 which has impacted the operations of the Company adversely throughout the year. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate future financing requirements.

As on the reporting date, the Company has undrawn sanctioned lines of credit aggregating ₹ 2,036 lakhs which is estimated as sufficient to meet the estimated cash requirements during the next twelve months, and the Company is current on all its Debt obligations. However as the COVID 19 situation still continues, as an abundant precaution, the Management is exploring means to secure additional financing to fulfil its long-term/ working capital requirements. Also refer note 2 (g) 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, 2021.

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

Ramanarayanan J
Partner (220369)
UDIN: 21220369AAAAIB9496

Mumbai, April 23, 2021

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 07624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary

Mumbai, April 23, 2021

Independent Auditor's Report

To
The Members of **Roots Corporation Limited**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Roots Corporation Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 42 to the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management.

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

Other information

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

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

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

Independent Auditor’s Report (Contd.)

Management’s and Board of Directors’ Responsibility for the Financial Statements

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

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

Those Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report (Contd.)

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

c. The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

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

c. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act; and

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

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

i. the Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its financial statements – Refer Note 27 to the financial statements;

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

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021; and

Independent Auditor's Report (Contd.)

iv. the disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W- 100022

Tarun Kinger
Partner
Membership No:105003
ICAI UDIN: 21105003AAAABN5953

Place: Mumbai
Date: April 22, 2021

Annexure A to the Independent Auditors' Report - March 31, 2021

(Referred to in our report of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the Members of Roots Corporation Limited ("the Company") on the financial statements for the year ended March 31, 2021, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets (Property, plant and equipments) by which all the items are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, a portion of the fixed assets (Property, plant and equipments) has been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings as disclosed in Note No. 3 to the financial statements, are held in the name of the Company as at the balance sheet date except in respect of one commercial building aggregating Rs 371.32 Lakhs (Gross block Rs 575.85 Lakhs) which is in the possession of the Company where the lease deed is yet to be registered in the name of the Company.

(ii) Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investment or provided any guarantees or security under Section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Act and the Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, goods and services tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company does not have any dues on account of duty of Customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, value added tax, goods and services tax, cess and any other material statutory dues were in arrears as on March, 2021 for a period of more than six months from the date they became payable.

Annexure A (Contd.)

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute except as stated below:

Name of the statute	Nature of dues	Amount (Rs.) in Lakhs	Amount paid under protest (Rs.) in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Bihar Stamps (Prevention of under Valuation of Instruments) Rule 1995	Cess	152.56	Nil	2006-07 to 2020-21	Deputy Commissioner, East Singhbhum

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks. The Company has not taken any loans from financial institutions or government and has not issued any debentures.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

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

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of sections 177 and 188 of the Act and details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24 - Related Party Disclosures.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

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

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W- 100022

Tarun Kinger
Partner
Membership No:105003
ICAI UDIN: 21105003AAAABN5953

Place: Mumbai
Date: April 22, 2021

Annexure B to the Independent Auditors' Report – March 31, 2021

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(F) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Opinion

We have audited the internal financial controls with reference to financial statements of Roots Corporation Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial

Annexure B (Contd.)

statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W- 100022

Tarun Kinger
Partner
Membership No:105003
ICAI UDIN: 21105003AAAABN5953

Place: Mumbai
Date: April 22, 2021

Balance Sheet as at March 31, 2021

	Note	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	34,777.10	33,550.03
Capital work-in-progress	3	343.91	3,138.90
Right to Use Assets	30	26,441.43	27,754.34
Intangible assets	3	438.60	564.93
Financial Assets			
Security deposits	4 (a)	1,080.09	1,004.42
Margin Money Deposit	4 (a)	-	8.74
Advance Income Tax (net)	5	692.44	1,171.71
Other non-current assets	6 (a)	833.00	1,016.76
		64,606.57	**68,209.83**
Current assets			
Inventories	7	215.93	228.99
Financial assets			
Investments	8	-	101.42
Trade receivables	9	1,806.31	2,447.18
Cash and cash equivalents	10	193.82	133.99
Other balances with Banks	11	-	800.00
Other financial assets	4 (b)	402.23	613.90
Other current assets	6 (b)	1,529.01	1,057.80
		4,147.30	**5,383.28**
Total		**68,753.87**	**73,593.11**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	9,403.37	9,403.37
Other Equity	13	5,132.64	10,057.35
Total Equity		**14,536.01**	**19,460.72**
Non-current liabilities			
Financial liabilities			
Borrowings	14 (a)	3,294.11	6,739.13
Lease Liabilities	30	35,004.70	35,326.26
Other financial liabilities	15 (a)	233.87	75.14
Provisions	16 (a)	313.52	277.94
Other non-current liabilities	18 (a)	1,593.00	1,805.40
		40,439.20	**44,223.87**
Current Liabilities			
Financial liabilities			
Borrowings	14 (b)	2,998.57	1,240.40
Lease Liabilities	30	810.39	438.00
Trade payables			
Micro and small enterprises	17	19.88	4.65
Others	17	4,175.34	3,277.77
Other financial liabilities	15 (b)	4,451.52	3,784.98
Provisions	16 (b)	42.78	60.81
Other current liabilities	18 (b)	1,280.18	1,101.91
		13,778.66	**9,908.52**
Total		**68,753.87**	**73,593.11**
Significant Accounting Policies	1 &2		
The accompanying notes form an integral part of the financial statements	1 - 42		

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN: U55100MH2003PLC143639

Tarun Kinger
Partner
Membership No. 105003

Puneet Chhatwal
Chairman
DIN: 07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Mumbai, April 22, 2021

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2021

	Note	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
INCOME			
Revenue from operations	19	12,552.08	21,046.84
Other income	20	934.24	218.50
Total income		**13,486.32**	**21,265.34**
EXPENSES			
Food and beverages consumed	21	345.06	200.15
Employee benefit expenses	22	3,036.71	3,324.11
Finance costs	23	4,600.72	4,292.20
Depreciation and amortisation expenses	3b	3,807.86	3,639.31
Other operating and general expenses	24	9,013.69	12,695.66
Total Expenses		**20,804.04**	**24,151.43**
(Loss) before exceptional items and tax		(7,317.72)	(2,886.09)
Exceptional items	25	2,379.48	609.06
(Loss) before tax		**(4,938.24)**	**(2,277.03)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		**-**	**-**
(Loss) after tax		(4,938.24)	(2,277.03)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		13.53	12.81
Add/ (Less) Income tax credit / (expense)		-	-
Other comprehensive income for the year, net of tax		**13.53**	**12.81**
Total comprehensive Income for the year		**(4,924.71)**	**(2,264.22)**
Earnings per share:			
Basic and Diluted - (₹)	36	(5.25)	(2.42)
Face value per equity share - (₹)		10.00	10.00
Significant Accounting Policies	1 & 2		
The accompanying notes form an integral part of the financial statements	1 - 42		

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN: U55100MH2003PLC143639

Tarun Kinger
Partner
Membership No. 105003

Puneet Chhatwal
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DIN: 07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Mumbai, April 22, 2021

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2021

₹ lakhs

Particulars	Equity Share Capital Subscribed	Reserve & Surplus		Total	Total Equity
		Securities Premium Account	Retained Earnings		
Balance as at April 1, 2019	9,403.37	31,912.37	(9,612.67)	22,299.70	31,703.07
Add: Impact of adoption of Ind AS 116 - Leases (net of deferred tax asset and other adjustments)	-	-	(9,978.13)	(9,978.13)	(9,978.13)
(Loss) for the year ended March 31, 2020	-	-	(2,277.03)	(2,277.03)	(2,277.03)
Other Comprehensive Income for the year ended March 31, 2020, net of taxes	-	-	12.81	12.81	12.81
Total Comprehensive Income for the year ended March 31, 2020	-	-	(12,242.35)	(12,242.35)	(12,242.35)
Balance as at March 31, 2020	**9,403.37**	**31,912.37**	**(21,855.02)**	**10,057.35**	**19,460.72**
(Loss) for the year ended March 31, 2021	-	-	(4,938.24)	(4,938.24)	(4,938.24)
Other Comprehensive Income for the year ended March 31, 2021, net of taxes	-	-	13.53	13.53	13.53
Total Comprehensive Income for the year ended March 31, 2021	**-**	**-**	**(4,924.71)**	**(4,924.71)**	**(4,924.71)**
Balance as at year ended March 31, 2021	**9,403.37**	**31,912.37**	**(26,779.73)**	**5,132.64**	**14,536.01**

Significant Accounting Policies (1&2)
The accompanying notes form an integral part of the financial statements (Refer Notes 1 - 42).

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, April 22, 2021

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN: U55100MH2003PLC143639

Puneet Chhatwal
Chairman
DIN:07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

Statement of Cash Flows for the year ended March 31, 2021

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) Before Tax	(4,938.24)	(2,277.03)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	3,807.86	3,639.31
Loss on Sale/Discard of Property, Plant and Equipment	33.04	192.78
Profit on Sale/Discard of Property, Plant and Equipment	(2,379.48)	(609.06)
Finance costs	4,600.72	4,292.20
Interest income	(171.56)	(58.01)
Gain on investments carried at fair value through statement of profit and loss	(12.45)	(43.05)
Provision for Compensated Absences & Gratuity	57.77	101.71
Bad Debts Written Off	14.94	6.69
Provision for doubtful trade and other receivables	101.11	179.14
Lease Waivers booked under miscellaneous income	(711.18)	-
Liabilities / provisions no longer required written back	(0.51)	(15.29)
	5,340.26	**7,686.42**
Cash operating profit generated before working capital changes	402.02	5,409.39
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(2.98)	(20.08)
Trade receivables	514.27	403.74
Financial assets	154.13	(766.97)
Other Assets	(287.45)	131.30
	377.97	**(252.01)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	912.80	582.56
Financial Liabilities	(152.73)	169.15
Other Liablities	(33.62)	2,274.28
Provisions	(26.69)	(22.94)
	699.76	**3,003.05**
Cash Generated from Operating Activities	1,479.75	8,160.43
Income taxes paid/ received	479.27	(461.28)
Net Cash Generated From Operating Activities (A)	**1,959.02**	**7,699.15**

Statement of Cash Flows for the year ended March 31, 2021

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(1249.59)	(5,659.28)
Proceeds from disposal of property, plant and equipment	3084.39	2,316.70
Purchase of current Investments	(3,907.00)	(7,271.38)
Sale of current Investments	4,020.87	6,889.75
Interest Received	96.60	110.65
Balances with Bank	-	(800.00)
Balances with Bank matured	800.00	240.00
Net Cash Generated / (Used) In Investing Activities (B)	**2,845.27**	**(4,173.56)**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(2,450.00)	(700.00)
Proceeds from short-term borrowings	1,758.17	1,240.40
Payment of Lease Liablity	(3,092.77)	(3,541.42)
Finance cost	(959.87)	(932.04)
Net Cash Generated / (Used) In Financing Activities (C)	**(4,744.47)**	**(3,933.06)**
Net Increase / (Decrease) In Cash and cash equivalents (A + B + C)	59.83	(407.47)
Cash and Cash Equivalents - Opening	133.99	541.46
Cash and Cash Equivalents - Closing	193.82	133.99

Significant Accounting Policies (1&2)

The accompanying notes form an integral part of the financial statements (Refer Notes 1 - 42).

The above cash flow has been prepared under the ''Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 -

"Statement of Cash Flows" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, April 22, 2021

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN: U55100MH2003PLC143639

Puneet Chhatwal
Chairman
DIN: 07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

Note 1 : Corporate Information

Roots Corporation Ltd (RCL) is in the business of developing, managing and operating, what it terms, 'Smart Basics Hotels' that provides facilities to meet the key needs of today's travellers. RCL envisages creating a chain of no-frill hotels for the Indian market currently, and the international market in the near future. "Smart Basics" is a philosophy of providing intelligent thought-out facilities and services at a 'value' pricing. Currently, the Company has 54 hotels including 15 hotels on management contracts and 5 transit quarters across various geographical locations in India.

The Company has its registered office at Corporate Support Centre, Godrej and Boyce Complex, Gate No.8, Vikhroli (East), Mumbai 400 079.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on April 22, 2021.

Note 2 : Basis of preparation, critical accounting estimates and judgements. Significant accounting policies and recent accounting pronouncements.

(a) Statement of compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- Useful lives of property, plant and equipment and intangible assets: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment of investments:** The Company reviews it's carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it's carrying amount, the impairment loss is accounted for.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of Profit or Loss

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- **Leases:**

  Critical judgements in determining the lease term: 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.

Critical judgements in determining the discount rate:

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(d) Revenue recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold, and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consist of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered. The rentals are recognized under accrual basis.

Other Allied services: In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee are earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

Contract balances

a) **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) **Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Revenue from contracts with customers:

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

(e) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(f) Employee Benefits (other than for persons engaged through contractors):

i. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The Company contributes to the Recognised

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Employee's Provident Fund Scheme paid/payable during the year. The Company does not have any legal or informal obligation to pay additional sum.

ii. Gratuity (Unfunded)

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

iii. Other Long-term Employee Benefits-

The Company has a scheme for compensated absences for employees, the liability for which is determined based on an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

(g) Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(5) below). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to Profit or Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

Class of Assets	Estimated Useful Life
1. Plant and machinery	4 to 20 years
2. Electrical installations and equipment	20 years
3. Hotel Wooden Furniture	15 years
4. End User devices - Computers, Laptops, etc.	6 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated based on their estimated useful lives or the expected lease period which ever is lower.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its tangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

i) the technical feasibility and Company's intention and ability of completing the project;

ii) the company' ability to use the intangible assets;

iii) the probability that the project will generate future economic benefits;

iv) the availability of adequate technical financial and other resources to complete the project; and

v) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed, and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(i) Impairment of assets:

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(j) Leases:

Effective April 1, 2019 the Company has applied Ind AS 116 which replaces Ind AS 17 Leases.

On inception of a contract, the Company (as a lessee) assesses whether it contains a lease. A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and no lease components based on their relative standalone prices and applies the lease accounting model only to lease components.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration obligation, and less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including ‘in-substance fixed’ payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. ‘In-substance fixed’ payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option and any lease modification.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an ‘in-substance fixed’ lease payment and included in the initial calculation of the lease liability. Payments which are ‘in-substance fixed’ are charged against the lease liability.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments are presented as follows in the Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

The company has adopted Modified Retrospective Approach.

Discounting factor is calculated based on the start date of the lease term

For computing the present value of Minimum Lease Payments, the following interest rates should be considered:

Interest rate implicit in the lease: The rate implicit in the lease would be considered readily determinable when all the material inputs used to calculate the rate are readily determinable. It may not be possible to determine the fair value of the underlying lease asset, residual value etc. for so many properties and therefore, it is recommended to use 'incremental borrowing rate' as discount rate.

Incremental borrowing rate: In order to determine discount rate as above, one should use the rate that is "determinable, reasonable, and consistent with the financing that would have been used in the particular circumstances". The lessee (RCL) may need to determine its incremental borrowing rate through discussions with bankers, or other lenders or by reference to obligations of a similar term issued by others with a credit rating like that of the lessee (RCL).

Most of the leases are long term with the tenor ranging from 5 to 99 years. The borrowing rate for a tenor of more than 5 years may not be readily available. Therefore, in order to determine the discount rate, the Company has taken 10 year / 15 year /20-year G-Sec rates and adjusted with Company's risk/Assets Risk.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income based on terms of lease agreed with the lessee. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

COVID-19-related rent concessions:

In the current year, the Company has applied the below amendments to Ind AS 116 that are effective for an annual period that begins on or after April 1, 2020:

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures.

The Company has benefited from waiver of lease payments on certain hotel properties/ office premises. The waiver of lease payments has been accounted for as "Other Income" in the statement of profit or loss. The Company has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments.

(k) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(l) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(m) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(n) Transactions in foreign currencies:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies and outstanding at the Balance Sheet date are translated at the exchange rates prevailing at the year end. Non-monetary items denominated in foreign currencies are carried at the exchange rate in force at the dates of the transactions. Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

(o) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(p) Goods & Service Tax input credit:

Goods & Service Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

(q) Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52(2) of the Companies Act, 2013, to the extent balance is available for utilization in the Securities Premium Account.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(r) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(s) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. General borrowing costs are capitalized based on weighted average rate of interest.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

(t) Cash and Cash Equivalent (for the purpose of cash flow statements):

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(u) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(v) Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(w) Exceptional items:

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, unrealised exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

(x) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(y) Recent Accounting Pronouncements –

New and amended standards adopted by the Company:

In the current year, the Company has applied the below amendments to Ind AS 116 that are effective for an annual period that begins on or after April 1, 2020:

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures. The Company has benefited from waiver of lease payments of ₹ 711.18 lakhs on certain hotel properties/ office premises. The waiver of lease payments has been accounted for as "Other Income" in the statement of profit or loss. The Company has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments.

New Standards or other amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Note 3 : Property, Plant and Equipment and Intangible Assets & Capital work-in-progress

₹ lakhs

Particulars		Gross Block				Accumulated Depreciation and Impairment				Net Block	
		As at April 1, 2020	Additions / Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
TANGIBLE ASSETS											
1 Freehold Land (Refer note 3)	CY	866.14	-	(134.85)	731.29	-	-	-	-	731.29	866.14
	PY	1,135.00	-	(268.86)	866.14	-	-	-	-	866.14	1,135.00
2 Buildings											
a Hotel Building (Refer notes 1, 2, 3 and 5)	CY	17,138.82	2,749.58	(501.99)	19,386.41	1,710.21	507.26	(97.20)	2,120.27	17,266.14	15,428.61
	PY	17,037.51	870.31	(769.00)	17,138.82	1,350.96	465.67	(106.42)	1,710.21	15,428.61	15,686.55
b Improvements to leasehold buildings (Refer note 4)	CY	11,651.78	51.32	(1.24)	11,701.86	2,889.38	593.83	(0.15)	3,483.06	8,218.80	8,762.40
	PY	10,478.57	1,187.73	(14.52)	11,651.78	2,333.78	568.64	(13.04)	2,889.38	8,762.40	8,144.79
Total Buildings	CY	**28,790.60**	**2,800.90**	**(503.23)**	**31,088.27**	**4,599.59**	**1,101.09**	**(97.35)**	**5,603.33**	**25,484.94**	**24,191.01**
	PY	**27,516.08**	**2,058.04**	**(783.52)**	**28,790.60**	**3,684.74**	**1,034.31**	**(119.46)**	**4,599.59**	**24,191.01**	**23,831.34**
3 Plant, Machinery and Data Processing	CY	10,232.21	937.74	(293.99)	10,875.96	3,438.29	790.04	(148.35)	4,079.98	6,795.98	6,793.92
Equipments(Refer Note 3 and 4)	PY	8,854.46	1,714.75	(337.00)	10,232.21	2,313.47	784.57	340.25	3,438.29	6,793.92	6,540.99
4 Furniture and Fixtures (Refer Note 3 and 4)	CY	2,564.78	318.49	(77.59)	2,805.68	866.81	216.81	(42.24)	1,041.38	1,764.30	1,697.97
	PY	1,794.61	875.17	(105.00)	2,564.78	482.06	201.99	182.76	866.81	1,697.97	1,312.55
5 Office Equipment (Refer Note 4)	CY	4.94	-	(0.21)	4.73	3.95	0.22	(0.03)	4.14	0.59	0.99
	PY	1.94	3.00	-	4.94	1.46	-	2.49	3.95	0.99	0.48
Sub-Total	CY	**42,458.67**	**4,057.13**	**(1,009.87)**	**45,505.93**	**8,908.64**	**2,108.16**	**(287.96)**	**10,728.84**	**34,777.10**	**33,550.03**
	PY	**39,302.09**	**4,650.96**	**(1,494.38)**	**42,458.67**	**6,481.73**	**2,020.87**	**406.04**	**8,908.64**	**33,550.03**	**32,820.36**
INTANGIBLE ASSETS											
Computer Software (Refer Note 4)	CY	1,225.63	9.46	(0.44)	1,234.65	660.70	135.74	(0.39)	796.05	438.60	564.93
	PY	1,126.03	98.60	1.00	1,225.63	557.32	127.80	(24.42)	660.70	564.93	568.71
Sub-Total	CY	**1,225.63**	**9.46**	**(0.44)**	**1,234.65**	**660.70**	**135.74**	**(0.39)**	**796.05**	**438.60**	**564.93**
	PY	**1,126.03**	**98.60**	**1.00**	**1,225.63**	**557.32**	**127.80**	**(24.42)**	**660.70**	**564.93**	**568.71**
Total	CY	**43,684.30**	**4,066.59**	**(1,010.31)**	**46,740.58**	**9,569.34**	**2,243.90**	**(288.35)**	**11,524.89**	**35,215.70**	**34,114.96**
	PY	**40,428.12**	**4,749.56**	**(1,493.38)**	**43,684.30**	**7,039.05**	**2,148.67**	**381.62**	**9,569.34**	**34,114.96**	**33,389.07**
CAPITAL WORK-IN- PROGRESS	CY	3,138.90	1,525.01	(4,320.00)	343.91	-	-	-	-	343.91	3,138.90
	PY	2,317.16	4,859.55	(4,037.81)	3,138.90	-	-	-	-	3,138.90	2,317.16

Note:

1 Net Block of Building Includes ₹ 15,464.35 Lakhs (Previous year ₹ 13,162 Lakhs) constructed on Leasehold Land

2 Bangalore Whitefield immovable and movable property of value ₹669.70 Lakhs sold(Refer note 25)

3 Opening Gross Block includes Impairment provision for Ludhiana property of ₹ 520 Lakhs.

4 One commercial building at Chennai aggregating ₹ 371.32 Lakhs (Gross block ₹ 575.85 Lakhs) which is in the possession of the Company where the lease deed is yet to be registered in the name of the Company.

5 Additions to Gross Block includes Interest capitalised during the year with a capitalisation rate of 8.27% p.a.(Refer Notes to Accounts No. 31)

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3b : Depreciation and amortisation expenses

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Depreciation on Property, Plant and Equipment	2,108.16	2,020.87
Depreciation of Right-of-use Assets	1,563.96	1,490.64
Amortisation on Intangible Assets	135.74	127.80
	3,807.86	**3,639.31**

Note 4 : Financial Assets

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a) Non Current Financial Assets		
Other than related parties		
Long-term security deposits (other than related parties)		
Hotel Properties	754.75	682.16
Public bodies and Others	325.34	322.26
	1,080.09	**1,004.42**
Margin Money Deposit*	-	8.74
	-	**8.74**
	1,080.09	**1,013.16**
(b) Current Financial Assets		
Other than related parties		
Loans to employees	16.24	37.71
Interest Accrued on Deposits	8.72	9.88
Other Receivables	9.58	74.67
	34.54	**122.26**
Cost reimbursement receivable from Managed Properties	391.90	526.40
Less: Credit Impaired	(24.21)	(34.76)
	367.69	**491.64**
	402.23	**613.90**

*Margin Money deposits are for financial bank guarantees provided to government authorities

Note 5 : Non current tax assets (net)

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Income Tax Assets (net) (Net of Provision for Tax Rs. Nil, Previous year Nil)	692.44	1,171.71
	692.44	**1,171.71**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6 : Other Assets

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a) Other Non Current Assets		
Other than related parties		
Prepaid Expenses	404.93	445.06
Advance to Suppliers	115.40	127.83
Capital Advances	64.94	163.74
Deposits with Government Authorities	247.73	280.13
	833.00	**1,016.76**
(b) Other Current Assets		
Other than related parties		
Prepaid Expenses	147.45	209.18
Balance with Government authorities	723.92	469.91
Advance to Suppliers	644.36	374.81
Advances to employees	13.28	3.90
	1,529.01	**1,057.80**

Note 7 : Inventories (Al lower of cost and net realisable value)

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Stores and Operating Supplies	191.55	213.96
Stock Food and Beverage	24.38	15.03
	215.93	**228.99**

Note: Amount recognized in profit and loss account ₹ 345 lakhs (Previous year ₹ 200 lakhs) (refer note 21)

Note 8 : Investments

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Current Investments		
Carried at fair value through profit and loss:		
Investments in Mutual Fund Units (Unquoted)		
HDFC Overnight Fund - Regular Plan - Growth (Units CY Nil, PY 251.214)	-	7.42
SBI Overnight Fund- Regular Plan - Growth (Units CY Nil, PY 12,404.911)	-	94.00
	-	**101.42**
Footnote:		
Aggerate Amount of Unquoted Investments	**-**	**101.42**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 9 : Trade Receivables

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Unsecured		
Considered good	1,806.31	2,447.18
Which have significant increase in credit risk	-	-
Credit impaired	632.84	521.18
	2,439.15	2,968.36
Less: Allowance for trade receivables credit impaired	(632.84)	(521.18)
	1,806.31	2,447.18

Footnote:

i) Allowance for Trade receivable credit impaired

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Opening Balance	521.18	376.80
Add: Allowance during the year	111.66	144.38
	632.84	521.18
Less: Bad Debts written off against past provision	-	-
Closing Balance	**632.84**	**521.18**

(ii) For related party balances refer Note 33.

Note 10 : Cash and Cash Equivalents

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Cash on hand	9.90	12.13
Balances with bank in current account	183.92	121.86
	193.82	**133.99**

Note 11 : Other balances with Banks

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Deposit Pledged with Bank	-	800.00
Margin Money Deposit	-	8.74
	-	**808.74**
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current Financial Asset	-	8.74
	-	**800.00**

Note: Deposit pledged with bank last year includes fixed deposit of ₹ 800 lakhs held in HDFC Bank Limited which will be realized on creation of charge by way of hypothecation and mortgage of one hotel property namely Ginger Trivandrum and assets contained therein.

Note 12 : Other balances with Banks

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Authorised Share Capital		
Equity Shares		
10,00,00,000 Equity Shares of ₹ 10 each	10,000.00	10,000.00
Preference Shares		
1,50,00,000 Preference Shares of ₹ 100/- each	15,000.00	15,000.00
	25,000.00	**25,000.00**
Issued, subscribed and fully paid-up		
Equity Shares		
9,40,33,729 (Previous year 9,40,33,729) Equity shares of ₹ 10/- each fully paid-up	9,403.37	9,403.37
	9,403.37	**9,403.37**

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) On December 4, 2018, the Company allotted 8,066,409 Equity Shares of face value of ₹ 10 each for cash, at a price of ₹ 90 per equity share (including a premium of ₹ 80 per share), aggregating to ₹ 7,260 lakhs to the existing shareholders on a "rights" basis in the ratio of 1 Equity Share for every 33 equity shares held by equity shareholders.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2021		March 31, 2020	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
As at the beginning of the year	9,40,33,729	9,403.37	9,40,33,729	9,403.37
As at the end of the year	**9,40,33,729**	**9,403.37**	**9,40,33,729**	**9,403.37**

(iv) Shareholders holding more than 5% shares in the Company:

	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 10 each fully paid				
The Indian Hotels Company Limited, Holding Company	5,65,67,994	60.2	5,65,67,994	60.2
Omega TC Holdings Pte Limited	2,60,23,954	27.7	2,60,23,954	27.7
Piem Hotels Limited	65,35,948	7.0	65,35,948	7.0

(v) 5,65,67,994 (Previous Year 5,65,67,994) number of equity shares are held by The Indian Hotels Company Limited, the holding company.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 13 : Other Equity

		March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a)	**Securities Premium Account**		
	Opening and Closing Balance	31,912.37	31,912.37
(b)	**Retained Earnings**		
	Opening Balance	(21,855.02)	(9,612.67)
	Add: Impact of adoption of Ind AS 116 - Leases (Refer Note 30)	-	(9,978.13)
	Reinstated opening Balance	**(21,855.02)**	**(19,590.80)**
	Add: Current year loss	(4,938.24)	(2,277.03)
	Add: Other Comphrensive Income - Defined Benefit Obligations	13.53	12.81
	Closing Balance	**(26,779.73)**	**(21,855.02)**
	Total	**5,132.64**	**10,057.35**

Note:

Nature and purpose of reserves

Securities Premium Reserve comprises of premium on issue of shares and is utilised in accordance with the provisons of the Companies Act' 2013 Retained Earnings represent accumulated losses

Note 14 : Borrowings

		March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a)	**Long term borrowings**		
	Term Loan from banks		
	Secured (refer footnote i and ii)	6,739.13	9,184.12
	"Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)"	3,445.02	2,444.99
		3,294.11	**6,739.13**
(b)	**Short term borrowings**		
	Loan Repayable on demand from bank (refer footnote iii)	1,998.57	1,240.40
	Secured - Loan Repayable on demand from bank (refer footnote iv)	1,000.00	-
		2,998.57	**1,240.40**

Footnotes:

(i) The Company had obtained a secured loan facility from Kotak Bank for ₹ 7,500 lakhs which carries variable interest rate of 6 month MCLR + 30bps (effective interest as at March 31, 2021 8.05% (Previous year 8.5%) payable at monthly rests. Principal amount is repayable in quarterly installments upto March 2022. Outstanding loan as at March 31, 2021 ₹ 2,250 lakhs (Previous Year ₹ 4,200 lakhs).

The Company has created a charge by way of hypothecation and mortgage of 2 hotel properties namely Ginger Nashik, Ginger Bhubaneshwar.

(ii) The Company had obtained loan of ₹ 5,000 Lakhs from HDFC Bank Ltd which carries variable interest rate of 1 year MCLR + 5bps (effective interest as at March 31, 2020 7.65% (Previous year 8.7%) payable at monthly rest. Principal amount payable in 2 equal quarterly installments of ₹ 100 Lakhs and 16 quarterly installments of ₹ 300 Lakhs each. The repayment schedule started from July 2020. Outstanding loan as at March 31, 2021 ₹ 4,500 lakhs (Previous Year ₹ 5,000 lakhs).

The Company has created a charge by way of hypothecation and mortgage of one hotel property namely Ginger Mangalore. The Company is in a process to create a charge by way of hypothecation and mortgage of one hotel property namely Ginger Trivandrum.

(iii) The Company had obtained loan of ₹ 2,000 Lakhs Overdraft Facility (Previous Year ₹ 2,000 Lakhs) from Axis Bank Ltd secured against current assets carries variable interest rate of 1 month MCLR + 0.4bps.

(iv) The Company had obtained inter corporate deposits of ₹ 1,300 Lakhs from Northern India Hotels Limited which have been settled during the year itself.

(v) The Company had obtained a secured short term loan facility from Axis Bank for ₹ 1,000 lakhs which carries variable interest rate of 6 month MCLR + 0.75bps (effective interest as at March 31, 2021 8.2%) payable at monthly rests. Principal amount is repayable at the end of the tenure. Outstanding loan as at March 31, 2021 ₹ 1,000 lakhs.

The Company is in a process to create a charge by way of hypothecation and mortgage of one hotel property namely Ginger Agartala and assets contained therein.

Footnotes:

Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below.

Financial liability statement	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a) Net debt		
Cash and cash equivalents	193.82	133.99
Other balances with Banks	-	800.00
Current investments	-	101.42
Total Liquid investment (a)	**193.82**	**1,035.41**
Long term borrowings (including current maturities shown under Other Current financial liabilities)	6,739.13	9,184.12
Short term borrowings	**2,998.57**	**1,240.40**
Gross Debt (b)	9,737.70	10,424.52
Net Debt ((b) - (a))	9,543.88	9,389.11
(b) Other financial liabilities		
Interest accrued but not due / Unclaimed interest	47.42	69.45
Total Other financial liabilities	**47.42**	**69.45**
Grand Total	**9,591.30**	**9,458.56**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 14 : Borrowings (Contd.)

₹ lakhs

	Liquid Assets			Liabilities from Financing activities			Total
	Cash and cash equivalents	Other balances with Banks	Current Investments	Gross Debt	Net Debt	Interest accrued but not due / Unclaimed interest	
	(a)	(b)	(c)	(d)	(e) = (d)-(a)-(b)-(c)	(f)	(g) = (e) + (f)
Net Debt as at March 31, 2019	541.46	240.00	440.00	9,879.09	8,657.63	81.38	8,739.01
Cash flows	(407.47)	560.00	(381.63)	540.40	769.50	-	769.50
Interest expense	-	-	-	-	-	920.12	920.12
Interest paid	-	-	-	-	-	(932.05)	(932.05)
Added to Borrowings	-	-	-	-	-	-	-
Amortisation cost				5.03	5.03	-	5.03
Fair value adjustments	-	-	43.05	-	(43.05)	-	(43.05)
Net Debt as at March 31, 2020	**133.99**	**800.00**	**101.42**	**10,424.52**	**9,389.11**	**69.45**	**9,458.56**

₹ lakhs

	Liquid Assets			Liabilities from Financing activities			Total
	Cash and cash equivalents	Other balances with Banks	Current Investments	Gross Debt	Net Debt	Interest accrued but not due / Unclaimed interest	
	(a)	(b)	(c)	(d)	(e) = (d)-(a)-(b)-(c)	(f)	(g) = (e) + (f)
Net Debt as at March 31, 2020	133.99	800.00	101.42	10,424.52	9,389.11	69.45	9,458.56
Cash flows	59.83	(800.00)	(113.87)	(691.83)	162.21	-	162.21
Foreign exchange adjustments	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	942.85	942.85
Interest paid	-	-	-	-	-	(964.88)	(964.88)
Added to Borrowings	-	-	-	-	-	-	-
Amortisation cost				5.01	5.01	-	5.01
Fair value adjustments	-	-	12.45	-	(12.45)	-	(12.45)
Net Debt as at March 31, 2021	**193.82**	**-**	**-**	**9,737.70**	**9,543.88**	**47.42**	**9,591.30**

Note 15 : Other Financial Liabilities

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a) Other Non Current financial liabilities		
Contractor's Retention Money	233.87	75.14
	233.87	**75.14**
(b) Other Current financial liabilities		
Current maturities of long term borrowings- term loan from bank (Refer Note 14 and 37)	3,445.02	2,444.99
Interest accrued but not due on borrowings on term loan	47.42	69.45
Creditors for capital expenditure	218.94	101.09
Creditors for capital expenditure of micro and small enterprises (Refer Note 17)	-	56.00
Contractor's Retention Money	56.46	179.93
Security Deposits	333.86	228.45
Other Payables (Outsourced Food and Beverage Partners)	291.22	400.69
Employee related liabilities	58.60	304.38
	4,451.52	**3,784.98**

Note 16 : Provisions

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a) Non Current provisions		
Employee Benefit Obligation		
Compensated absences	122.72	117.03
Gratuity (Refer note 32)	190.80	160.91
	313.52	**277.94**
(b) Current provisions		
Employee Benefit Obligation		
Compensated absences	21.68	24.04
Gratuity (Refer note 32)	21.10	36.77
	42.78	**60.81**

Note 17 : Trade Payables

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
Micro and Small Enterprises (Refer Footnote (i) and (ii))	19.88	4.65
	19.88	**4.65**
Vendor Payables	2,641.07	2,050.57
Accrued expenses and others	1,534.27	1,227.20
	4,175.34	**3,277.77**

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	(19.82)	(60.45)
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	(0.06)	(0.20)
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

(iii) For related party balances refer Note 33.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 18 : Other Liabilities

	March 31, 2021 ₹ lakhs	March 31, 2020 ₹ lakhs
(a) Non Current		
Advances collected from customers	1,593.00	1,805.40
	1,593.00	**1,805.40**
(b) Current liablities		
Advances collected from customers	970.11	770.40
Statutory Dues	104.00	135.06
Cess Payable	152.56	140.06
Goods & Services Tax	28.73	27.37
Payable for Provident funds and others	24.78	29.02
	1,280.18	**1,101.91**

Note 19 : Revenue from Operations

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ lakhs
Room Income, Food, Restaurants Income	10,876.60	18,711.63
Rental Income	281.42	662.32
Management and operating fees	1,230.73	1,305.54
Other Operating Income	163.33	367.35
	12,552.08	**21,046.84**

Note 20 : Other Income

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	95.44	16.09
Amortisation of Interest on security deposits and other deposits	76.12	41.92
	171.56	**58.01**
Gain on investments carried at fair value through statement of profit and loss	12.45	43.05
Others		
Credit liabilities no longer required written back	0.51	15.29
Miscellaneous Income		
Insurance Claim Receivable	-	52.91
Lease Waiver due to Force Majeur Clause (Refer note 30)	711.18	-
Other Miscellaneous Income	38.54	49.24
	934.24	**218.50**

Note 21 : Food and Beverages Consumed

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ lakhs
Opening Stock	15.03	1.00
Add: Purchases	354.41	214.18
	369.44	**215.18**
Less: Closing Stock	24.38	15.03
	345.06	**200.15**

Note 22 : Employee Benefit Expenses

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ lakhs
Salaries, Wages, Bonus (Net) (Refer note 31)	2,588.72	2,840.84
Company's Contribution to Provident and Other Funds (Refer Note 32)	160.92	169.86
Retiring Gratuity	52.12	62.46
Staff Welfare Expenses	234.95	250.95
	3,036.71	**3,324.11**

Note 23 : Finance costs

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ lakhs
Interest Expense at effective interest rate on borrowings which are measured at amortised cost (Refer note 31 and 37)	750.62	895.16
Interest Expense on working capital	192.23	29.99
Interest cost on lease liability (IndAS 116)	3,605.40	3,517.76
Interest Expense on advances from customer	124.95	141.39
Less: Interest Capitalised	(72.48)	(292.10)
	4,600.72	**4,292.20**

Note 24 : Other operating and general expenses

		March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ lakhs
(i)	**Operating expenses consist of the following:**		
	Linen and Room Supplies	287.01	406.80
	Housekeeping Charges	832.19	1,002.40
	Maintenance Charges	413.99	479.59
	Power and Fuel (Net)	1,366.65	1,831.17
	Water Charges	88.71	134.28
	Repairs to Buildings	118.69	331.33
	Repairs to Machinery	402.27	418.11
	Repairs to Others	225.40	359.20
	Security Charges	508.72	618.65
	Linen, Uniform Washing and Laundry Expenses	199.96	504.72
	Guest Hotel Expenses	317.65	464.98
	Travel Agent's Commission	724.96	1,688.50
	Collecting Agent's Commission	40.17	117.43
	Other Operating Expenses	111.04	122.14
		5,637.41	**8,479.30**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

		March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ lakhs
(ii)	**General expenses consist of the following:**		
	Rent (refer note 30)	414.75	560.23
	License Fees (refer note 30)	307.08	444.14
	Rates and Taxes	569.95	325.87
	Insurance	121.98	70.96
	Advertising and Publicity	161.25	286.74
	Printing and Stationery	47.60	79.95
	Passage and Travelling (refer note 31)	56.28	241.70
	Provision for doubtful trade and other receivables	101.11	179.14
	Legal and Professional Fees	826.72	1,018.55
	Telephone and Communications Expenses	491.93	521.68
	Director Sitting Fees	10.80	9.80
	Bad Debts	14.94	6.69
	Loss on Sale/Discard of Property, Plant and Equipment	33.04	192.78
	Other Miscellaneous Expenses	162.06	219.15
	Payment to Auditors		
	i. As Auditor	48.00	48.00
	ii. For Taxation Audit	6.00	6.00
	iii. For other Services	1.32	1.66
	iv. For Reimbursement of Expenses	1.47	3.32
		3,376.28	**4,216.36**
		9,013.69	**12,695.66**

Note 25 : Exceptional items

	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ lakhs
Exceptional Items comprises the following:		
Gain on sale of Pondicherry property (refer note 39)	-	609.06
Gain on sale of Bangalore Whitefield property (refer note 39)	2,379.48	-
	2,379.48	**609.06**

Note 26 : Tax Disclosures

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Deferred Tax assets	6,015.64	5,195.81
Deferred Tax liabilities	(6,015.64)	(5,195.81)
Net Deferred Tax Asset	-	-

Note:

a. As per the Indian Accounting Standard 12, "Income taxes", the Company would have net deferred tax assets of ₹ 6,015.64 lakhs (March 31, 2020 ₹ 5,195.81 lakhs). However, in absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, net deferred tax assets of ₹ 6,121.75 lakhs (March 31, 2020 ₹ 4,818.78 lakhs) are not recognized.

b. The Company has not disclosed tax reconciliations as it does not have taxable profits due to carried forward losses on account of specified business and unabsorbed depreciation.

c. Significant components of net deferred tax assets and labilities for the year

Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Deferred Tax assets /(liabilities)		
Tax losses carried forward	8,608.38	6,839.00
Provision for Employee benefits	92.64	88.08
Provision for Doubtful Debts & Deposits	170.83	144.56
Impact of Ind AS 116	3,265.54	2,942.95
Property, Plant & equipment's & Intangible assets	(6,015.64)	(5,195.81)
Net Deferred tax (not recognised)	**6,121.75**	**4,818.78**

d. Tax losses for which no deferred tax asset was recognized expire as follows.

Particulars	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Indefinite	**33,109.13**	**26,305.69**

The Company has not adopted the benefit of lower tax regime of Income Tax Under Section 115BAA of the Income Tax Act 1961 as it has brought forward unabsorbed depreciation and losses from specified business.

Note 27 : Contingent Liabilities (to the extent not provided for)

There are matters in appellate, judicial and arbitration proceedings (including those described below) arising during conduct of the Company's business. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in dispute:
Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc, which are in dispute, are as under:

Nature	March 31, 2021 ₹ Lakhs	March 31, 2020 ₹ Lakhs
Dues not acknowledged as Debts		
Property Tax **	167.00	167.00
	167.00	**167.00**

**₹ 50 Lakhs paid under protest to New Delhi Municipal Council.

In respect of Income Tax matters, the Company's appeals are pending, and the said amounts have been paid/ adjusted and will be recovered as refund if the matters are decided in favour of the Company.

(a) On account of guarantees given:
No guarantees have been given in the current financial year.

(b) Others:
Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented.

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

Note 28 : Capital Commitments

Estimated value of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 86.26 Lakhs (Previous year – ₹ 182.57 Lakhs).

Note 29 : Measurement of Financial Assets and Liabilities

All financial assets and liabilities are subsequently carried at amortised costs and the fair value of financial assets and liabilities approximate their respective amortised costs.

₹ In Lakhs

	Level	Total Carrying Cost	
		March 31, 2021	March 31, 2020
Financial Assets (Not Measured at fair value)			
Not Measured at fair value			
Trade receivables		1,806.31	2,447.18
Cash and cash equivalents		193.82	133.99
Other Bank Balance		-	800.00
Other Current financial assets		402.23	613.90
Other non-current financial assets		325.34	322.26
Financial Labilities (Not Measured at fair value)			
Non-Current Borrowings	Level 2	3,294.11	6,739.13
Other Non-Current financial liabilities		233.87	75.14
Current Borrowings	Level 2	2,998.57	1,240.40
Lease Liabilities		35,815.09	35,764.26
Trade payables		4,195.22	3,282.42
Other Current financial liabilities		4,451.52	3,784.98

Note 30 : Leases IND AS 116

Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could be different from expectations:

Maturity Analysis

₹ In Lakhs

Particulars	March 31, 2021	March 31, 2020
Not later than one year	3,996.33	3,759.43
Later than one year but not later than five years	16,066.88	15,808.64
Later than five years	1,03,228.32	1,06,059.07
	1,23,291.54	**1,25,627.14**

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance of the hotels that are being leased.

₹ In Lakhs

Analysed as:	March 31, 2021	March 31, 2020
Non-Current	35,004.70	35,326.26
Current	810.39	438.00
Total	**35,815.09**	**35,764.26**

The Current Portion of the lease liability is excluding the interest component on the lease liability. Actual Lease Payments (including notional interest as per Ind AS 116) would be ₹ 3,996.33 lakhs (PY ₹ 3,759.43 lakhs). Also, refer to the Maturity Analysis of the Lease Payments.

Right to Use Assets Schedule

₹ in Lakhs

	Leased Land	Owned Building on Leased Land	Property – Leased	Total
Gross Block at Cost				
At April 1, 2020	3,855.53	19,573.22	5,816.23	29,244.98
Additions	55.38	157.09	38.58	251.05
Deductions for the year	-	-	-	-
As at March 31, 2021	**3,910.91**	**19,730.31**	**5,854.81**	**29,496.03**
Depreciation				
At April 1, 2020	86.55	933.66	470.42	1490.64
Opening Adjustments				-
Charge for the year	92.54	943.80	527.63	1,563.97
Deductions for the year	-	-	-	-
As at March 31, 2021	**179.09**	**1877.46**	**998.05**	**3,054.60**
Net Block				
As at March 31, 2021	**3,731.82**	**17,852.85**	**4,856.76**	**26,441.43**

(a) The Company has adopted Ind AS 116 effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of ₹ 27,647.24 lakhs and a corresponding lease liability of ₹37,625.37 lakhs. The difference of ₹ 9,978.12 has been adjusted to retained earnings as at April 1, 2019. The weighted average incremental borrowing rate of 10.68% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

(b) The total cash outflow for leases is ₹ 3,507.52 lakhs (PY ₹ 4,101.66 lakhs) for the year ended March 31, 2021, including cash outflow of variable leases, short-term leases and leases of low-value assets of ₹414.75 lakhs (PY ₹560.23 lakhs). Interest on lease liabilities is ₹ 3,605.40 lakhs (PY ₹ 3,517.75 lakhs) for the year ended March 31, 2021.

The Company has received lease waivers from lessors on account of the pandemic COVID 19 in the current financial year aggregating ₹ 711.18 lakhs, under the terms of the agreements.

The net impact due to Ind AS 116 in the current year is ₹ 1,215.01 lakhs (PY ₹ 1,340.89) lakhs in the statement of Profit and Loss account.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Details of impact of Ind AS 116 on net worth of the Company

₹ In Lakhs

Net Worth	As at March 31, 2021	As at March 31, 2020
Opening Net Worth	19,460.71	31,703.07
IndAS116 transition impact on Net worth	-	(9,978.13)
Ind AS 116- Leases impact	(1,215.01)	(1,340.89)
Ind AS 115- Revenue impact	(101.42)	-
Loss	(3,608.28)	(923.34)
Total Net Worth	**14,536.01**	**19,460.71**

Note 31 : Capitalisation/Reimbursement of Expenses

Following expenses are disclosed in the Statement of Profit and Loss, at net of amounts capitalised for projects and recoveries made under management contract:

₹ In Lakhs

Particulars	March 31, 2021	March 31, 2020
Salaries and Wages	2,684.91	3,093.90
Less: Salary Capitalised	2.44	73.60
Less: Recoveries made under Management contracts	93.76	179.46
Salaries and Wages (Net)	**2,588.72**	**2,840.84**
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	750.62	895.16
Interest Expense on working capital	192.23	29.99
Interest cost on lease liability (Ind AS 116)	3,605.40	3,517.76
Interest Expenses Others	124.95	141.00
Less: Interest Capitalised	(72.48)	(292.10)
Interest Expenses (Net)	**4,600.72**	**4,292.20**

Note 32 : Employee Benefits

(a) The Company has recognised the following expenses as defined contribution plan under the head “Company’s Contribution to Provident Fund and Other Funds”(net of recoveries):

₹ In Lakhs

	March 31, 2021	March 31, 2020
Provident Fund *	144.52	149.70
Total	**144.52**	**149.70**

* In light of the Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

The Company operates post retirement defined benefit plans – Gratuity (Unfunded)

(a) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2021:-

(i) Amount to be recognized in Balance Sheet and movement in net liability

₹ In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2021	March 31, 2020
Present Value of Unfunded Obligations	211.90	197.68
Net (Asset) / Liability	211.90	197.68

(ii) Expenses recognised in the Statement of Profit & Loss

₹In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2021	March 31, 2020
Current Service Cost *	40.11	51.69
Past service Cost	-	-
Interest Cost	12.01	10.77
Total	**52.12**	**62.46**

* On account of inter group transfer of employees during the year. Amount received from parent Company amounting to ₹ 7.50 Lakhs is accounted in March 31'2020 and ₹ 2.11 Lakhs is accounted in March 31'2021

(iii) Expenses recognized in Other Comprehensive Income (OCI)-

₹ In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2021	March 31, 2020
Opening amount recognized in OCI outside Profit and Loss	3.44	16.25
Remeasurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	(0.97)	9.72
Change in demographic assumptions		
Experience adjustments	- (12.56)	(22.53)
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Total	**(10.09)**	**3.44**

(iv) Reconciliation of Defined Benefit Obligation -

₹ In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2021	March 31, 2020
Opening Defined Benefit Obligation	198.97	162.92
Current Service Cost	40.11	30.76
Interest Cost	12.01	10.77
Changes in financial assumptions	(1.80)	9.72
Changes in demographic assumptions	-	-
Experience adjustments	(12.56)	(22.53)
Benefits Paid	(26.48)	(21.03)
Impact of Liability assumed or (settled)*	1.65	27.07
Closing Defined Benefit Obligation	**211.90**	**197.68**

* On account of inter group transfer of employees during the year.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(v) Actuarial Assumptions

Particulars	Gratuity	
	Un Funded	
	March 31, 2021	March 31, 2020
Discount rate (p.a.) in %	6.80%	6.65%
Salary Escalation Rate (p.a.) in %	5.00%	5.00%
Mortality Post-Retirement	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

1) Discount Rate:
The discount rate is based on the prevailing market yields of Indian government for the estimated term of the obligations.

2) Salary Escalation Rate:
The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factor

(vi) Sensitivity Analysis

Particulars	Gratuity			
	Unfunded			
	Discount Rate		Salary Escalation	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Impact of increase in 50 bps on DBO	(3.39)%	(3.13)%	3.62%	3.34%
Impact of decrease in 50 bps on DBO	3.61%	3.33%	(3.44)%	(3.19)%

(vii) Expected future benefit payments

₹ In Lakhs

Particulars	March 31, 2021	March 31, 2020
Within one year	21.10	36.77
Between one and five years	106.94	85.20
After five years	253.63	219.70
Weighted average duration of the Defined Benefit Obligation (in years)	7.00	6.46

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Code on Social Security, 2020

The Code on Social Security, 2020 ('the Code') relating to employee benefits received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020 and invited suggestions from the stakeholders. The date of implementation of the Code is yet to be notified by the Government and when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The Company will assess the impact of the Code and give effect in the financial results when the Code and Rules thereunder are notified.

Note 33 : Related Party Disclosures

(a) The names of related parties of the Company are as under

i. Holding Company

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited	India

ii. Subsidiaries, Associates and Joint Ventures of Holding Company

Name of the Joint Ventures	Country of Incorporation
Taj SATS Air Catering Limited	India

iii. Company having significant influence over Holding Company

Name of the Company	Country of Incorporation
Tata Sons Limited (including its Subsidiaries and Joint Ventures	India

iv. Company having substantial interest

Name of the Company	Country of Incorporation
Omega TC Holdings PTE Limited	Singapore

v. Fellow Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
PIEM Hotels Limited	India
Northern India Hotels Limited	India
Benares Hotels Limited	India

vi. Key Management Personnel

Particulars	Relation
Ms Deepika Rao	Managing Director & CEO

(b) Details of related party transactions during the year ended March 31, 2021 and outstanding balances as at March 31, 2021

₹ In Lakhs

S. No.	Description	March 31, 2021	March 31, 2020
I	**The Indian Hotels Company Limited**		
1	Operating Fees	227.34	373.48
2	Rent Paid	-	3.97
3	Room Revenue	8.79	4.85
4	Operating Expenses	7.49	24.88
5	Superannuation	6.23	5.92
6	Reimbursement of Expenses	1.65	7.50
7	Balance payables		
	Other Payable	174.34	219.28
8	Balance receivable	2.3	
II	**TAJ SATS Air Catering Limited**		
1	Room Revenue	0.41	2.30
III	**Northern India Hotels Limited**		
1	ICD's Received	1,300.00	-
2	Interest Paid	60.63	-
3	ICD's Paid	1,300.00	-

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ In Lakhs

S. No.	Description	March 31, 2021	March 31, 2020
IV	**Tata Consultancy Services Limited**		
1	Room Revenue	905.03	1,231.22
2	Management and operating fees	1,074.71	1,057.78
3	Operating Expense	297.46	517.30
4	Balance Receivable	173.37	282.88
5	Balance Payable	188.53	216.39
VII	**Ms. Deepika Rao**		
1	Managerial Remuneration (Refer Footnote)	92.09	114.49

Footnotes:

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole.

Note 34 : Foreign Currency Transactions

(a) Earnings in Foreign Exchange from sale of rooms/food & beverages based on actual receipts amount to ₹ 80.73 Lakhs (Previous Year ₹ 365.96 Lakhs)

(b) Expenditure in Foreign Exchange towards Travel, Architectural services, and commission amount to ₹ NIL (Previous Year ₹ 223.28 Lakhs)

Note 35 : Segment Information

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS 108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

Note 36 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'

₹ In Lakhs

Particulars	March 31, 2021	March 31, 2020
(Loss) after tax (₹ in lakhs)	(4,938.24)	(2,277.03)
Weighted Average no. of equity shares (Nos.)	9,40,33,729	9,40,33,729
Earnings per share – Basic/Diluted (Amount ₹)	(5.25)	(2.42)
Face Value per Equity Share (Amount ₹)	10	10

Note 37 : Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions, and others, as well as credit exposures to customers, including outstanding receivables.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

The Credit risk for trade receivable for the Company as at March 31, 2021 is as under

₹In Lakhs

Ageing	Less than one year	More than one year	Total
Gross carrying Amount	1,561.15	878.00	**2,439.15**
Credit Impaired	-	(632.84)	**(632.84)**
Net Carrying Amount	1,561.15	245.16	**1,806.31**

The Credit risk for trade receivable for the Company as at March 31, 2020 is as under

₹In Lakhs

Ageing	Less than one year	More than one year	Total
Gross carrying Amount	2,399.12	569.24	**2,968.36**
Credit Impaired	-	(521.18)	**(521.18)**
Net Carrying Amount	2,399.12	48.06	**2,447.18**

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

₹ In Lakhs

March 31,2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Term Loan	4,450.00	1,200.00	2,100.00	-	7,750.00
Overdraft Facility	1,998.57	-	-	-	1,998.57
Future Interest Payments *	406.40	204.16	132.23	-	742.79
Lease Liabilities	3,996.33	3,981.97	12,084.91	1,03,228.32	1,23,291.53
Trade and other payables	4,195.22	-	-	-	4,195.22
Other Financial Liabilities	959.08	233.87	-	-	1,192.95
Total Financial Liabilities	**16,005.60**	**5,620.00**	**14,317.14**	**1,03,228.32**	**1,39,171.06**

₹ In Lakhs

March 31,2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Term Loan	2,444.99	3,455.01	3,300.00	-	9,200.00
Overdraft Facility	1,240.40	-	-	-	1,240.40
Future Interest Payments *	716.96	455.61	382.56	-	1,555.13
Lease Liabilities	3,759.43	3,945.77	11,862.87	1,06,059.07	1,25,627.14
Trade and other payables	3,282.42	-	-	-	3,282.42
Other Financial Liabilities	1,270.54	75.14	-	-	1,345.68
Total Financial Liabilities	**12,714.74**	**7,931.53**	**15,545.43**	**1,06,059.07**	**1,42,250.77**

* All interests are on floating interest rate.

Subsequent to the reporting date, management has secured additional financing to fulfil its long-term working capital requirements and capital expenditure. Further, the Company has also received a letter of financial support from its parent to meet any further shortfall. Based on the above, the Company have sufficient liquidity to meet its liabilities as and when they fall due for payment.

ii) Financing arrangements

The Company had access to undrawn overdraft facility of ₹ 1.43 lakhs (PY ₹ 759.60 lakhs) as on March 31, 2021.

iii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents.

₹ In Lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings	7,750.00	9,200.00
Less: Cash & Cash equivalents	193.82	133.99
Less: Bank Balances	-	800.00
Less: Current Investments	-	101.42
Net Borrowings	7,556.18	8,164.59
Equity excluding Ind AS 116 impact	27,155.73	30,779.73

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Where applicable the Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

The unhedged foreign currency exposure payable is as under:

₹ In Lakhs

	Currency	March 31, 2021 Foreign Currency	March 31, 2021 INR	March 31, 2020 Foreign Currency	March 31, 2020 INR
Cash and Cash Equivalents	USD	-	-	60	0.05
Trade Payable	USD	23,710	17.43	16,895	12.73
Trade Payable	EUR	452	0.39	6,168	5.13
Net Exposure	USD	23,710	17.43	16,835	12.68
	EUR	452	0.39	6,168	5.13

Sensitivity

For the year ended March 31, 2021 and March 31, 2020 every 3% depreciation/ appreciation in the exchange rate between the Indian rupee and US dollar, shall not have material impact on the Company's profit before tax.

i) Interest rate risk

Where applicable the Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

ii) Other market price risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through other comprehensive income.

iii) Risk towards Global Pandemic COVID-19

Trade receivables of ₹ 1,806.31 lakhs (PY ₹ 2,447.18 lakhs) as at March 31, 2021 forms a significant part of the financial assets carried at amortised cost. The Debtors do not have any concentration risk and the Company

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

does expect to recover these outstanding in due course. Further, adequate credit loss provision has been created based on the policy of the Company. The Company has specifically evaluated the potential impact with respect to customers in Airline and Travel Agents segments which could have an immediate impact though the outstanding is not significant. Further, we expect that there could be some delay in payments from debtors, over and above the credit cycle. Basis our internal assessment and the stringent provisioning policy of the Company, the management assessment for the allowance for doubtful trade receivables of ₹ 632.84 lakhs (PY ₹ 521.18 lakhs) as at March 31, 2021 is considered adequate.

The Company has not disclosed the fair value of financial instruments because their carrying amounts are reasonable approximation of fair value. The Company does not have the exposure to equity securities.

Note 38 : Specified Bank Notes disclosure

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2021.

Note 39 : Property Sale

During the year, the Company's property in Bangalore comprising land and hotel building was sold on January 6, 2021 for a consideration of ₹ 3,150.00 Lakhs. The written down value of the above assets along with direct expenses aggregated to ₹ 770.52 Lakhs, accordingly a gain of ₹ 2,379.48 Lakhs has been recognised in the Statement of Profit and Loss in the year 2020-21.

During the previous year, the Company's property in Pondicherry comprising land and hotel building was sold on March 12, 2020 for a consideration of ₹ 1,600.00 Lakhs. The written down value of the above assets along with direct expenses aggregated to ₹ 990.94 Lakhs, accordingly a gain of ₹ 609.06 Lakhs has been recognised in the Statement of Profit and Loss in the year 2019-20.

Note 40 : Revenue from contracts with customers

i) Details of revenue from contracts with customers recognized by the Company, net of indirect taxes in its Statement of Profit and Loss:

₹ In Lakhs

Revenue from operations	March 31, 2021	March 31, 2020
Revenue from contract with customers		
Room Income, Food, Restaurants Income	10,876.60	18,711.63
Rental Income	281.42	662.32
Management and operating fees	1,230.73	1,305.54
Other Operating Revenue	163.33	367.35
Total Revenue from operations	**12,552.08**	**21,046.84**

ii) Contract Balances

The contract liabilities primarily relate the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered.

a) Advance Collections are recognized when payment is received before the related performance obligation is satisfied under the terms of the agreement with the customer. This includes advances received from the customer towards rooms/restaurant revenues. Revenue is /recognized once the performance obligation is met i.e. on room stay/

sale of food and beverages in line with the requirements of Ind AS 115 Revenue from Contract with Customers (Ind AS 115).

₹ In Lakhs

Particulars	March 31, 2021	March 31, 2020
Contract liabilities		
Advances collected from customers *	970.11	770.40

* Considering the nature of business of the Company, the advance collections from customer and Income received in advance are generally materialised as revenue within the same operating cycle.

iii) Advance received from the customer for the more than 1 year

The Company has received an advance for an hotel in Kalinganagar from Tata Steel Limited (TSL) of ₹ 1,800.00 lakhs which is required to be offset over 60 months from the month in which operation of hotel commences as per the terms stipulated in the agreement. Based on management's assessment, there is significant financing component in the advance amount, hence the Company has recognized the interest expense for the same. The Company have recognized the interest cost in the statement of Profit and Loss with corresponding adjustment to revenue over a period.

The Company has capitalized the interest expense on ₹ 1800.00 lakhs at the rate of prevailing market rate of interest for the similar period, in this case Company has taken loan from HDFC bank for the similar period at the interest rate of 8.70% per annum so Company has taken the prevailing market rate of interest as 8.70% on the transaction of advance. So, impact of Ind AS 115 on net worth of the Company is as follows in the current year-

₹ In Lakhs

Particulars	March 31, 2021	March 31, 2020
Interest Expense Ind AS 115	124.95	141.39
Less: Interest Capitalized	-	(141.39)
Less: Revenue Ind AS 115	(23.53)	
Total Impact on Net Worth	**101.42**	-

Note 41 : COVID-19

Estimation uncertainty relating to the global health pandemic on COVID-19

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020.

The business has been severely impacted during the year on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year and a significant number of the Company's hotels had to be shut down. With the unlocking of restrictions, all the Company's hotels have been opened and business is expected to gradually improve across all hotels. During the second half of the year, the Company witnessed some signs of recovery of demand, especially in leisure destinations. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some States, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation.

The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of Covid-19 may be different from that estimated as at the date of

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has adequate funds at its disposal and the Management is confident of securing additional financing, as required, for the next 12 months to enable the Company to meet its debts and obligations as they fall due. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

Note 41 : Going Concern

Negative working capital

As at the year end, the Company's current liabilities have exceeded its current assets by ₹ 9,631.36 Lakhs primarily on account of current maturities of long-term borrowings aggregating ₹ 3,450 lakhs falling due within 12 months following the balance sheet date. Management is confident of its ability to generate adequate cash inflows from operations and utilize long term funds available to meet its obligations on due date.

Impact of COVID-19

The Company is facing significant uncertainties due to COVID-19 which has impacted the operations of the Company adversely throughout the year. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate future financing requirements.

As on the reporting date, the Company has undrawn sanctioned lines of credit aggregating ₹ 2,230 lakhs which is estimated as sufficient to meet the estimated cash requirements during the next twelve months. and the Company is current on all its Debt obligations. However, as the COVID 19 situation continues, as an abundant precaution, the Management is exploring means to secure additional financing to fulfil its long-term/ working capital requirements.

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, 2021

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, April 22, 2021

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN: U55100MH2003PLC143639

Puneet Chhatwal
Chairman
DIN: 07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary
Membership No. ACS 43312

Independent Auditor's Report

To the Members of

Taj SATS Air Catering Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Taj SATS Air Catering Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Emphasis of matter

We draw attention to Note 25 of the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/

Independent Auditor's Report (Contd.)

loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 27 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

Independent Auditor's Report (Contd.)

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W 100022

Suhas Pai
Partner
Membership No: 119057
ICAI UDIN:21119057AAAAAV1436

Mumbai
April 22, 2021

Annexure A

Annexure - A to the Independent Auditors' Report on the Standalone Financial Statements of Taj SATS Air Catering Limited for the year ended March 31, 2021

(Referred to in paragraph 1 under 'Report on Other legal and Regulatory requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant, to the programme, a portion of fixed assets has been physically verified by the management during the year and the discrepancies noticed on verification between the physical assets and the book record were not material and have been adequately dealt with in books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date, except the following

Particulars of land and building	Whether Title of property is in name of Company	Gross Amount (as at March 31, 2021)	Net Amount (as at March 31, 2021)	Remarks
Freehold land located at Mumbai having effective plot area of 11888.43 sft.	No	Rs. 26.58 lakhs	Rs. 26.58 lakhs	The title deeds are in the name of Indian Hotels Company Limited from whom the asset was transferred to the Company based on Business Transfer Agreement
Freehold land and building at Amritsar wherein land measuring 3 Kanal 16 Marla	Yes (Under Dispute)	Freehold Land at Rs. 194.72 lakhs Building at Rs. 341.53 lakhs	Freehold Land at Rs. 194.72 lakhs Building at Rs. Nil (net of impairment provision)	There is a dispute on the land title based on the claim made by the Gram panchayat. The Company has filed an Appeal before the Joint Commissioner (Development), Mohali, Punjab The Jt. Commissioner Development granted "Stay" in the matter and hearings are in progress. However, due to transfer of the Jt. Commissioner and the new Jt. Commissioner is re-hearing the matter again. In respect of such dispute the Company has represented that the title deed in its name for the aforesaid immovable properties and it will be able to defend any counter claims to such property.

In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the company is the lessee in the agreement.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of account.

Annexure A (Contd.)

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (" the Act") during the year. Accordingly, paragraphs 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of making investments. The Company has not granted any loans to or provided any guaranties to or security on behalf of the parties covered under Section 185 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of the services rendered and goods sold by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Cess, professional tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there have been delays in few cases.

According to the information and explanations given to us, no undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess, professional tax and other material statutory dues were in arrears as on March 31, 2021 for a period of more than six months from the date they became payable, other than as mentioned below:

Name of the Statue	Nature of Dues	Amount (Rs)	Period to which the amount relates	Due Date of payment	Date of payment
Provident Fund Act	Provident Fund	4,963	August 2019	September 15, 2019	Not paid

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of excise, Goods and Service tax and Value added tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount Demanded (Rs. in Lakhs)	Amount not deposited under dispute (Rs. in Lakhs)
West Bengal Sales tax Act, 1994	Commercial Tax	Deputy Commissioner of Commercial Taxes	2002-03	1.44	1.44
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2006-07	82.52	82.52
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2011-12	8.43	8.43
Maharashtra Value Added tax	Value Added Tax	Joint Commissioner of Sales Tax	2009-10	71.57	57.79
Maharashtra Value Added Tax	Value Added Tax	Deputy Commissioner of Sales Tax-Mumbai	2012-13	43.62	40.96

Annexure A (Contd.)

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount Demanded (Rs. in Lakhs)	Amount not deposited under dispute (Rs. in Lakhs)
Finance Act 1994	Service Tax	Office of Commissioner of Service Tax	2004-05 to 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 (upto June 2017)	1,251.3	1185.8
Finance Act 1994	Service Tax	Office of Commissioner of Service Tax	July 1, 2012 to March 31, 2016, April 1, 2016 to June 30, 2017	7,630.88	7,630.88
Value Added Tax Act, 2005	Value Added Tax	Deputy Commissioner of State Tax	2016-17	30.92	30.92
Value Added Tax Act, 2005	Value added tax	Deputy Commissioner of Sales Tax- Mumbai	2015-16	76.55	76.55
DVAT Act, 2004	Value added tax	Office of the Addl Commissioner of DVAT, Delhi	2005-2016	20.89	20.89
Goods & Service Tax, 2017	Goods & Service Tax	GST Department, Assistant Commissioner, Ward 205:Zone 11:Delhi	2017-19	36.02	36.02

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any loans or borrowings from financial institutions and government, or debenture holder during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of the examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standards (Ind AS) 24, Related Party Disclosures prescribed under Section 133 of the Act, read with the relevant rules.

Annexure A (Contd.)

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W 100022

Suhas Pai
Partner
Membership No: 119057
ICAI UDIN:21119057AAAAAV1436

Mumbai
April 22, 2021

Annexure B

Annexure B to the Independent Auditors' report on the Standalone Financial Statements of Taj SATS Air Catering Limited for the period ended March 31, 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Taj SATS Air Catering Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

Annexure B (Contd.)

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 Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W 100022

Suhas Pai
Partner
Membership No: 119057
ICAI UDIN:21119057AAAAAV1436

Mumbai
April 22, 2021

Balance Sheet as at March 31, 2021

₹ (in Lakhs)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	9,739	10,160
Capital work-in-progress		7	249
Right of use asset	3(a)	814	371
Goodwill	3(b)	7,348	7,348
Other Intangible assets	3(c)	284	347
		18,192	**18,475**
Financial Assets			
Investments	4(a)	5,958	5,958
Other Financial assets	5(a)	648	580
Advance income Tax (net)		1,035	1,754
Other non-current assets	6(a)	161	638
		7,802	**8,930**
Current assets			
Inventories	7	521	563
Financial assets			
Investments	4(b)	423	4,176
Trade receivables	8	4,776	6,831
Cash and cash equivalents	9	180	26
Bank Balance other than cash and cash equivalents	10	52	104
Other financial assets	5(b)	155	95
Other current assets	6(b)	439	609
		6,546	**12,404**
TOTAL ASSETS		**32,540**	**39,809**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	1,740	1,740
Other equity	12	21,739	26,600
Total Equity		**23,479**	**28,340**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities		787	976
Other Financial Liabilities	13(a)	97	175
Provisions	14(a)	1,065	811
Deferred tax liabilities (net)	15	230	2,000
		2,179	**3,962**
Current Liabilities			
Financial liabilities			
Lease Liabilities		706	251
Borrowings	16	600	586
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	159	201
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	2,701	3,484
Other financial liabilities	13(b)	1,600	1,744
Other tax liabilities (Net)		307	378
Provisions	14(b)	130	451
Other current liabilities	18	679	412
		6,882	**7,507**
TOTAL EQUITY AND LIABILITIES		**32,540**	**39,809**

The accompanying notes form an integral part of the standalone financial statements:
Refer note 1 - 43

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai, April 22, 2021

For and on behalf of the Board of Directors
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN: 07624616

Mehernosh Kapadia
Vice Chairman
DIN: 00050530

Giridhar Sanjeevi
Director
DIN: 06648008

Manish Gupta
Chief Executive Officer

Sudeep Pal
Chief Financial Officer

Bakhtawar K. Irani
Company Secretary
Membership No: A17753

Statement of Profit and Loss for the year ended March 31, 2021

₹ (in Lakhs)

	Note	March 31, 2021	March 31, 2020
Income			
Revenue from operations	19	13,799	36,455
Other income	20	251	466
TOTAL INCOME		**14,050**	**36,921**
Expenses			
Food and beverages consumed	21	4,111	10,640
Employee benefits expense and payment to contractors	22	9,999	12,961
Finance costs	23	147	118
Depreciation and amortisation expenses	3, 4(b)	1,429	1,308
Other operating and general expenses	24	5,374	9,819
TOTAL EXPENSES		**21,060**	**34,846**
(LOSS) / PROFIT BEFORE TAX		(7,010)	2,075
Tax expenses			
Current tax		-	517
Current tax (earlier years) - Refer note 34		-	(912)
Deferred tax		(1,770)	375
TOTAL TAX EXPENSE		**(1,770)**	**(20)**
PROFIT FOR THE YEAR (A)		**(5,240)**	**2,095**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		379	(205)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		**379**	**(205)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**(4,861)**	**1,890**
Earnings per equity share			
Basic and diluted (₹)		(30.12)	12.04
Face value per ordinary share - (₹)		10	10
The accompanying notes form an integral part of the standalone financial statements: Note 1 - 43			

As per our report of even date attached
For **B S R & Co. LLP**
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Mumbai, April 22, 2021

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Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital

Balance as at April 01, 2019	Changes in equity share capital during the period	Balance as at March 31, 2020
1,740	-	1,740

Balance as at April 01, 2020	Changes in equity share capital during the period	Balance as at March 31, 2021
1,740	-	1,740

B. Other equity

Particulars	Reserves and Surplus				
	Securities Premium Account	General Reserve	Retained Earnings	Other Comprehensive Income	Total Equity
Balance as at April 1, 2019	10,388	1,560	13,401	-	25,349
Profit for the year	-	-	2,095	-	2,095
Lease Liabilities (Refer note 32)	-	-	(639)	-	(639)
Other Comprehensive Income	-	-	-	(205)	(205)
	-	**-**	**1,456**	**(205)**	**1,251**
Balance as at March 31, 2020	**10,388**	**1,560**	**14,857**	**(205)**	**26,600**
Balance as at April 1, 2020	10,388	1,560	14,857	(205)	26,600
Loss for the year	-	-	(5,240)	-	(5,240)
Other Comprehensive Income	-	-	-	379	379
	-	**-**	**(5,240)**	**379**	**(4,861)**
Balance as at March 31, 2021	**10,388**	**1,560**	**9,617**	**174**	**21,739**

The accompanying notes form an integral part of the standalone financial statements: Note 1 - 43

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai, April 22, 2021

For and on behalf of the Board of Directors
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

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Company Secretary
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Cash Flow Statement for the year ended March 31, 2021

₹ (in Lakhs)

	Particulars	March 31, 2021 ₹ in Lakhs	March 31, 2020 ₹ in Lakhs
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	(Loss)/ Profit before tax	(7,010)	2,075
	Adjustments for:		
	Depreciation and amortisation expenses	1,429	1,308
	Gain on investments carried at fair value through statement of profit and loss	(6)	(4)
	Profit on sale of Current Investments	(78)	(22)
	Loss/(Profit) on sale / disposal of Property, Plant and Equipment (net)	(7)	(5)
	Provision for doubtful debts	109	910
	Doubtful advances written off	2	6
	Provision for Employee Benefits	311	(484)
	Fixed assets written off	11	27
	Dividend income from current investments	-	(148)
	Interest income	(99)	(128)
	Interest income on financial assets carried at amortised cost	(8)	(6)
	Finance costs	147	118
	Exceptional Items		-
	Operating Profit before Working Capital changes	**(5,199)**	**3,647**
	Adjustments in:		
	Trade receivables	1,946	(950)
	Other financial assets	(128)	477
	Inventories	43	(82)
	Other assets	288	(422)
	Adjustments in:		
	Trade payables	(825)	(23)
	Other financial liabilities	(126)	(127)
	Other liabilities	267	91
		1,465	**(1,036)**
	Cash Generated from Operations	(3,734)	2,611
	Net income tax paid	647	(780)
	NET CASH FROM OPERATING ACTIVITIES (A)	**(3,087)**	**1,831**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment and other intangibles (including advances for capital expenditure)	(373)	(1,738)
	Inter corporate deposits placed	-	(2,300)
	Inter corporate deposits redeemed	-	3,525
	Proceeds from sale/disposal of property, plant and equipment	22	26
	Purchase of current investments in Mutual funds	(800)	(11,145)
	Redemption proceeds of current investments in Mutual funds	4,637	14,761
	Earmarked balances with bank	52	-
	Dividend income from current investments	-	148
	Interest received	99	155
	Investment in equity shares of Subsidiary	-	(5,958)
	NET CASH USED IN INVESTING ACTIVITIES (B)	**3,637**	**(2,526)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Inter corporate deposits received	600	-
	Payment of Lease Liabilities	(263)	(201)
	Interest on Payment of Lease Liabilities	(96)	(113)
	Finance costs	(51)	(5)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**190**	**(319)**
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B +C)	**740**	**(1,014)**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(560)	454
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**180**	**(560)**

Cash Flow Statement for the year ended March 31, 2021

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS - 7) statement of cash flow.

2 Figures in brackets are outflow / deduction.

₹ (in Lakhs)

		March 31, 2021 ₹ in Lakhs	March 31, 2020 ₹ in Lakhs
3	Cash and cash equivalents comprises of		
	Balances with Banks"		
	- Current Account	171	12
	- Cash on hand	9	14
	Cash and cash equivalents (Refer Note no. 9)	**180**	**26**
	Less: Bank overdraft (Refer note (i) below)	-	(586)
	Cash and cash equivalent in cash flow statement	**180**	**(560)**

(i) The management considered Bank overdraft as a integral part of its cash management and accordingly considered as a part of cash and cash equivalent.

The accompanying notes form an integral part of the standalone financial statements: Refer note 1 - 43

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Suhas Pai
Partner
Membership No: 119057

Mumbai, April 22, 2021

For and on behalf of the Board of Directors
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DIN: 06648008

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Chief Executive Officer

Sudeep Pal
Chief Financial Officer

Bakhtawar K. Irani
Company Secretary
Membership No: A17753

Notes to the Financial Statements for the year ended March 31, 2021

1. Corporate Information

Taj SATS Air Catering Limited (the "Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company is jointly promoted by The Indian Hotels Company Ltd. ("IHCL") and SATS Ltd., where IHCL owns 51% and SATS Ltd. owns 49% of the Company's shares.

The Company provides in-flight catering services, institutional catering of food and beverages and other allied services to airlines and various other institutions, corporate houses, hospitals, cafeterias, etc. The Company has manufacturing/ production facilities at various locations including Mumbai, Delhi, Kolkata, Bangalore, Amritsar and Goa.

The Company has its registered office at Mandlik House, Mandlik Road, Mumbai - 400 001.

This Standalone Financial Statements for the year ended March 31, 2021 were approved by the Company's Board of Directors on April 22, 2021.

2. Significant Accounting Policies

The standalone financial statements have been prepared on the following basis:

(a) Statement of compliance:

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation and presentation:

These standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. All assets and liabilities are classified as current and non-current as per Company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date. All amounts disclosed in the standalone financial statements and notes to accounts have been rounded off to the nearest lakhs, unless otherwise stated.

The financial statements are presented in Indian rupees (₹), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

(c) Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements pertain to:

- **Useful life of property, plant and equipment and intangible assets:** The carrying value of property, plant and equipment and intangible asset is calculated on the basis of estimates of depreciation periods derived from the expected technical and useful life of the asset concerned, and residual values. The expected technical and useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset.

- **Impairment of Goodwill:** For goodwill an annual impairment test is carried out to identify if there are any changes or events that could lead to an impairment of the goodwill. Determining whether goodwill is impaired requires an estimation of the value-in-use and the cash-generating units to which the goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the present value of the future cash flows are less than expected, a material impairment loss may arise.

- **Impairment of investments:** The Company reviews carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its' carrying amount, the impairment loss is accounted for.

- **Contingencies and Commitments:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Leases:**

  Critical judgements in determining the lease term: 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.

  Critical judgements in determining the discount rate: The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

- **Income taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charges in the Statement of Profit or Loss.

- Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- Estimation uncertainty relating to global health pandemic on COVID 19 - Refer note 25.

(d) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is charged to the statement of profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of depreciation on buildings on leased properties, it is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated balance useful lives.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of Assets	Estimated Useful Life
Building	30 years
Plant and Equipment	15 to 20 years
Furniture and Fixtures	15 years
Data processing equipment	6 years
Office equipment	12-15 years
Vehicles	8 - 16 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid, less any recognized impairment loss.

(e) Intangible Assets

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Intangible assets are amortised on a straight-line basis over the estimated useful lives. The amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or loss arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The capitalised cost of SAP software (including licenses) is amortised over ten years from the date of capitalisation (four years remaining as on the balance sheet date) on a straight line basis considering its estimated useful life, the cost of other software licenses is amortised over six years from the date of capitalisation and the cost of website development is amortised over four years from the date of capitalisation (two years remaining as on the balance sheet date) on a straight line basis considering its estimated useful life.

Business rights which represent the rights to construct, manage and operate flight catering kitchen in accordance with the agreement entered with the airport authority, are stated at cost of acquisition, less accumulated amortisation. The cost of business rights is amortised over the period of 15 years (two years remaining as on the balance sheet date) during which period the benefits are expected to accrue to the Company as per agreement.

(f) Goodwill:

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating unit that is expected to benefit from the synergies of the combination. A cash generating unit to which the goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the others

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

assets of the unit pro rata based on the carrying amount of each asset in the unit. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss account.

(g) Impairment of Non Financial Assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, and whenever there is an indication that the assets may be impaired.

At each Balance sheet date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(h) Leases

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's statement of financial position as a right-of-use asset and a lease liability.

Right to use assets

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is reasonably certain that it will not exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable Lease

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.

Short-term leases and leases of low-value assets

The Company has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a lease term of 12 months or less and don't contain purchase option. Costs associated with such leases are recognised as an expense on a straight-line basis over the lease term.

Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17, applying the practical expdient to grandfather the assessment of which transactions are leases.

Presentation of lease payments in Cash Flow Statements:

Lease payments are presented as follows in the Company's statement of cash flows:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- Payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- Payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

COVID-19-related rent concessions

In the previous year, the Company had applied the below amendments to Ind AS 116 that were effective for an annual period that begins on or after April 1, 2020:

The Company had adopted the amendments to Ind AS 116 for the first time in the previous year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

(i) Inventories:

Stock of food and beverages, stores and operating supplies are carried at the lower of cost (computed on a weighted average basis) or net realisable value. Cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Trade discounts and rebates are deducted in determining the cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(j) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present (legal or constructive) obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and circumstances surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows determined using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for contingent assets are neither recognised nor disclosed in the standalone financial statement.

(k) Revenue Recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of indirect taxes, returns and discounts. In respect of expired contracts under renewal, revenue is recognised based on the erstwhile contract/ understanding with the contracting parties.

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate unit of account is based on the relative fair value of each unit. If the fair value of the delivered items is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered items.

Income from operations:

Food and Beverages: Revenue from sale of food and beverages is recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/ understanding with the customer.

Revenue from Air catering and allied services: Revenue from Air Catering and allied services includes revenue from handling services, hi-loader services, bonded warehouse, laundry income, and other services and the revenue has been recognised by reference to the time of service rendered.

Management and operating fees: Management fee earned by the company are long term contract with the Air Catering Unit (ACU). Under this contract, the company's performance obligation is to manage the operations of the Air Catering Unit at the given airport locations.

Management and operating fee is earned as a percentage (%) of profit and are recognised in accordance with the terms of the contract based on underlying profit.

Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Other Operating Income: Other operating income includes revenue from catering supplies/ bought out items which are recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/understanding with the customer.

Dividend Income: Dividend income from mutual funds is recognised when the Company's right to receive the amount is established.

Interest Income: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

(l) Foreign currency transactions:

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign currency denominated assets and liabilities are translated at the exchanges rates prevailing at the balance sheet date and exchange gain and losses arising on settlement and restatement are recognized in the Statement of Profit and loss.

(m) Government Grants:

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(n) Employee Benefits:

A) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate legal entity and will have no legal or constructive obligation to pay further amounts.

i. Provident and Family pension Fund: The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary to a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employee's eligible salary). The

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

contributions are made to the provident fund managed by the trust set up by a joint venture Company, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of profit and loss.

In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss.

ii. Superannuation

The Company has a defined contribution plan for certain category of employees, wherein it annually contributes a sum equivalent to a defined amount to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which the corresponding services are received from the employee.

B) Defined Benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

i. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment.

The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

The Company also has separate unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognized immediately in the other comprehensive income and reflected immediately in retained earnings and will not be reclassified to profit and loss.

ii. Provident Fund Trust

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to few employees, such employee benefit plan is classified as Defined Benefit plan. Any obligation in this respect is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

C) Other employee benefits

i. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

ii. Other Employee Benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for the employee entitlements such as salaries, bonuses, annual leave, leave travel allowances, represents amounts which the Company has a present obligation to pay as a result of the employee services and the obligation can be measured reliably. The accruals have been calculated as undiscounted amounts based on current salary levels as at the Balance Sheet date.

(o) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expense relates. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with applicable rates and prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority

(p) Financial Instruments:

i. Financial assets

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Financial assets are subsequently classified and measured at

- amortised cost

- fair value through profit and loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets."

Classification

- Cash and Cash Equivalents – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- Debt Instruments – The Company classifies its debt instrument as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  I. Financial assets at amortised cost

  Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

  II. Financial assets at fair value through Other Comprehensive Income (FVOCI)

  Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

  III. Financial assets at fair value through profit or loss (FVTPL)

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- Equity Instruments – The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established. At the date of transition to Ind AS, the Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each Balance Sheet date, right from its initial recognition.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(q) Investments is subsidiaries:

Investments in Subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

(r) Earnings per share:

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(s) Business Combination:

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

(t) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

3(a) Property, Plant and Equipment

₹ (in Lakhs)

	Freehold Land (Refer Footnote (ii))	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data processing equipment	Vehicles	Total	Right of use Asset (Refer Note No.32)
Cost									
At April 1, 2019	351	3,991	5,839	149	56	176	3,068	13,630	-
Additions	-	507	690	43	3	26	307	1,576	443
Disposals/ Transfer	-	30	37	10	-	8	32	117	-
At March 31, 2020	**351**	**4,468**	**6,492**	**182**	**59**	**194**	**3,343**	**15,089**	**443**
Additions		162	408	13	-	15	279	877	530
Disposals/ Transfer		11	20	1	-	5	28	65	-
At March 31, 2021	**351**	**4,619**	**6,880**	**194**	**59**	**204**	**3,594**	**15,901**	**973**
Depreciation									
At April 1, 2019	-	1,309	1,725	53	16	96	632	3,831	-
Charge for the year	-	401	479	15	5	27	240	1,167	72
Disposals	-	15	20	5	-	8	21	69	-
At March 31, 2020	**-**	**1,695**	**2,184**	**63**	**21**	**115**	**851**	**4,929**	**72**
Charge for the year		495	474	16	5	26	255	1,271	87
Disposals		5	13			5	15	38	-
At March 31, 2021	**-**	**2,185**	**2,645**	**79**	**26**	**136**	**1,091**	**6,162**	**159**
Net block as at March 31, 2020	**351**	**2,773**	**4,308**	**119**	**38**	**79**	**2,492**	**10,160**	**371**
Net block as at March 31, 2021	**351**	**2,434**	**4,235**	**115**	**33**	**68**	**2,503**	**9,739**	**814**

Footnote:

(i) The Air Catering business was acquired on a slump sale basis from IHCL and its Affiliates on October 1, 2001. As a result, the Property, Plant and Equipment were recorded as per the values assigned by the independent valuers.

(ii) In accordance with the Business Transfer Agreement entered with IHCL, the land located at Mumbai is to be conveyed in favour of the Company. However, the same is pending completion of certain legal formalities.

(iii) There is a dispute on the land title based on the claim made by the Gram panchayat. The Company has filed an Appeal before the Joint Commissioner (Development), Mohali, Punjab. The Jt. Commissioner Development granted "Stay" in the matter and hearings are in progress. However, due to transfer of the Jt. Commissioner, the new Jt. Commissioner is re-hearing the matter again. In respect of such dispute the Management has represented that the title deed for the aforesaid immovable property is in the name of the Company and it will be able to defend any counter claims to such property.

3(b) Goodwill

Goodwill recorded at the time of acquisition of the Air Catering business represents excess of amount paid over the recorded value of the net assets acquired. On transition to Ind AS, the carrying amount of goodwill in the opening Ind AS balance sheet prepared as at April 01, 2015 was recorded at its carrying amount in accordance with the previous GAAP of ₹ 7,348 lakhs. The Company tests Goodwill for impairment atleast annually or more frequently if events or changes in circumstances indicate that it might be impaired. The goodwill has been allocated to Airline and Allied catering (which is considered as Cash Generating Unit). The Company estimated value in use based on future cashflows of this CGU using a 2% - 5% annual growth rate for periods subsequent to the forecast period of five years and discount rate of 12% - 15%. A sensitivity analysis of the computation to a combined change in key parameters (operating margins, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of this CGU would decrease below its carrying amount.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

3(c) Intangible Assets (Acquired)

	Software	Business Rights	Website Development	Total
Cost				
At April 1, 2019	605	24	-	629
Additions	38	-	4	42
Disposals	7	-	-	7
At March 31, 2020	**636**	**24**	**4**	**664**
Additions	8	-	-	8
Disposals	-	-	-	-
At March 31, 2021	**644**	**24**	**4**	**672**
Amortisation				
At April 1, 2019	243	12	-	255
Charge for the year	66	3	0	69
Disposals	7	-	-	7
At March 31, 2020	**302**	**15**	**0**	**317**
Charge for the year	67	3	1	71
Disposals				-
At March 31, 2021	**369**	**18**	**1**	**388**
Net block as at March 31, 2020	**334**	**9**	**4**	**347**
Net block as at March 31, 2021	**275**	**6**	**3**	**284**

4 Financial Assets

a) Investments

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Fully Paid Unquoted Equity Investments		
Investments in Subsidiary Companies (at cost) (Refer Note no. 29)		
Taj Madras Flight Kitchen Private Limited	5,958	5,958
	5,958	**5,958**
Footnote:		
(a) Investment in fully paid up 1,58,88,165 shares (100%) of Taj Madras Flight Kitchen Private Limited (for Face Value Rs. 10), incorporated in India.		
(i) Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
(ii) Aggregate amount of unquoted investments	5,958	5,958
(iii) Aggregate amount of impairment in value in investments	-	-
(c) For this investment, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.		

b) Current investments

	March 31, 2021		March 31, 2020	
	Holdings (unit)	₹ (in Lakhs)	Holdings (unit)	₹ (in Lakhs)
Investments carried at fair value through profit and loss				
Investments in Mutual fund units (Unquoted)				
Tata Overnight Fund - Regular Plan - Growth	39,077.5469	423	2,05,342.0830	2,161
HDFC Overnight Fund - Regular Plan - Growth	-	-	47,747.6710	1,411
SBI Liquid Fund - Regular Plan - Growth	-	-	18,718.4380	604
Total..		**423**		**4,176**

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Footnote:		
(i) Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
(ii) Aggregate amount of unquoted investments	423	4,176
(iii) Aggregate amount of impairment in value in investments	-	-

5 Other Financial Assets

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
a) Non Current Financial Assets		
Security deposit with public bodies and others	580	571
Earmarked deposits with Banks	68	9
(Earmarked deposits includes ₹ 14 lakhs pledged with Air India and the rest is on account of issuance of bank guarantee with various banks)		
	648	**580**
b) Current Financial Assets		
Security deposit with public bodies and others	145	71
	145	**71**
Interest receivable		
Others	8	8
	8	**8**
Other receivables		
Related Parties (Refer note 33)	-	7
Others	2	9
	2	**16**
	155	**95**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

6 Other Assets

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
a)	**Other Non Current Assets**		
	Capital Advances	25	382
	Prepaid Expenses	124	164
	Export incentive receivable	12	92
		161	**638**
b)	**Other Current Assets**		
	Prepaid Expenses	85	37
	Advance to Suppliers	161	153
	Export incentive receivable	64	120
	Balance with statutory and government authorities	69	232
	Advance to Employees	60	64
	Others	-	3
		439	**609**

7 Inventories

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Food and Beverages	215	301
Stores and Operating Supplies	306	262
	521	**563**

Footnote:

(a) Inventories are valued at the lower of cost and net realisable value. Cost are determined using the weighted average method and includes purchase price and non-refundable taxes.

(b) The write down of inventories to net realisable value during the year amounted to ₹ 21 lakhs (as on March 31, 2020 ₹ 9 lakhs) and the same are included in food and beverage consumed.

8 Trade receivables

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Unsecured			
(a)	Considered good	4,914	6,948
	Less: Allowance for doubtful trade receivables	(138)	(117)
		4,776	**6,831**
(b)	Credit impaired	3,680	3,606
	Less: Allowance for doubtful trade receivables	(3,680)	(3,606)
		-	-
		4,776	**6,831**

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Footnote:		
i) Allowance for doubtful trade receivables		
Opening Balance	3,723	3,024
Add: Allowance during the year	109	910
	3,832	**3,934**
Less: Bad Debts written off against past provisions	(14)	(211)
Closing Balance	**3,818**	**3,723**
ii) For Related party balances refer Note 33		

9 Cash and Cash Equivalents

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Cash on hand	9	14
Balances with bank in current account	171	12
	180	**26**

10 Bank Balance other than cash and cash equivalents

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Earmarked balances with Banks	52	104
(Earmarked deposits is on account of issuance of bank guarantee with various banks)		
	52	**104**

11 Share Capital

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Authorised Share Capital		
25,000,000 (March 31, 2020 - 25,000,000) equity shares of ₹ 10/- each with voting rights	2,500	2,500
	2,500	**2,500**
Issued, subscribed and fully paid up		
17,400,000 (March 31, 2020 - 17,400,000) equity shares of ₹ 10 /- each with voting rights	1,740	1,740
	1,740	**1,740**
Subscribed and Paid Up		
17,400,000 (March 31, 2020 - 17,400,000) equity shares of ₹ 10 /- each fully paid up with voting rights	1,740	1,740
	1,740	**1,740**

Footnotes:

(i) The Company has one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in the case of interim dividend.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(ii) Reconciliation of number of equity shares

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ (in Lakhs)	No. of shares	₹ (in Lakhs)
Balance at the beginning of the year	1,74,00,000	1,740	1,74,00,000	1,740
Add: Shares issue during the year	-	-	-	-
Balance at the end of the year	**1,74,00,000**	**1,740**	**1,74,00,000**	**1,740**

(iii) Rights, preferences and restriction attaching to shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholder in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

(iv) Shares held by the Joint Venturers

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ (in Lakhs)	No. of shares	₹ (in Lakhs)
Indian Hotels Company Ltd. ("IHCL") (includes 3 (as at March 31, 2020 - 3) equity shares held by IHCL as beneficiary owner *	88,74,000	51%	88,74,000	51%
SATS Ltd. (includes 2 (as at March 31, 2020 - 2) equity shares held by SATS Ltd. as beneficiary owner.	85,26,000	49%	85,26,000	49%

* Out of the above, 7,600,000 and 1,224,000 equity shares of ₹ 10 each fully paid up have been allotted to Indian Hotels Company Ltd. for consideration other than cash during the financial year ended March 31, 2002 and March 31, 2003 respectively.

12 Other Equity

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Securities Premium Account		
Balance at the beginning and end of the year	10,388	10,388
General Reserve		
Balance at the beginning and end of the year	1,560	1,560
Retained Earnings		
Balance at the beginning of the year	14,652	13,401
Add: (Loss)/ Profit for the year	(5,240)	2,095
Add: Remeasurement of post employment benefit obligation (item of other comprehensive income recognised directly in retained earnings)	379	(205)
Less: Lease Liabilities (Refer Note 32)	-	(639)
Closing balance at the end of the year	**9,791**	**14,652**
Total Other Equity	**21,739**	**26,600**

The Decription of the nature and purpose of each reserve with equity is as follows:

(a) Securities Premium Account: Securities premium represents the premium charged to the shareholders at the time of issuance of shares. The amount received in excess of face value of the equity shares is recognised in securities premium.

(b) **General reserve:** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) **Other comprehensive income (OCI):** Other comprehensive income includes revenues, expenses, gains, and losses that have yet to be realized and are excluded from net income on an income statement.

13 Other financial liabilities

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
a)	**Other Non Current Financial Liabilities**		
	Deposits from others - Unsecured	97	175
		97	**175**
b)	**Other Current Financial Liabilities**		
	Deposits from others - Unsecured	-	11
	Payable on purchase of property, plant and equipment	14	110
	Employee related liabilities	1,061	986
	Levy payable to Airport Authority of India	410	526
	Book Overdraft	-	24
	Other Payable -		
	Related Parties Payables	115	87
		1,600	**1,744**

There is no amount due and outstanding to be credited to Investor Education and protection fund.

14 Provisions

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
a)	**Non Current Provision**		
	Employee Benefit Obligation		
	Post-retirement pension (Refer note 30)	3	4
	Gratuity (Refer note 30)	198	-
	Compensated absences	864	807
		1,065	**811**
b)	**Current Provision**		
	Employee Benefit Obligation		
	Compensated absences	130	97
	Gratuity (Refer note 30)	-	354
		130	**451**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

15 Deferred Tax Liabilities (Net)

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	2,452	2,494
Total (A)	**2,452**	**2,494**
Deferred Tax Assets:		
Provision for Employee Benefits	250	228
Provision for doubtful debts	47	51
Lease Liabilities (Refer Note 32)	170	215
Current year business loss and unabsorbed depreciation	1,719	-
Others	36	-
Total (B)	**2,222**	**494**
Net Deferred Tax Liabilities (A-B)	**230**	**2,000**

16 Borrowings

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
*Bank overdrafts	-	586
**Loans and advances from Related parties	600	-
	600	**586**

*Refer note no. 42 for disclosure in relation to rate of bank overdraft facility.

**Loans and advances from Related parties comprises of Inter Corporate Deposit taken from Taj Madras Flight Kitchen Pvt. Ltd with a maturity period of 90 days carrying interest @9% payable quarterly.

17 Trade Payables

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
(i)	total outstanding dues of micro enterprises and small enterprises	159	201
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	2,701	3,484
		2,860	**3,685**
Footnotes:			
(i)	The amount due to Micro Enterprise and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been noted upon by the auditors.		
(ii)	The disclosures relating to Micro Enterprises and Small Enterprises are as under:		
	(a) The principal amount remaining unpaid to supplier as at year end	156	198
	(b) The interest due thereon remaining unpaid to supplier as at year end	3	3
	(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
	(d) The amount of interest due and payable for the year	-	-
	(e) The amount of interest accrued and remaining unpaid at the year end	-	-
	(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

* For Related party balances refer Note 33

18 Other Current Liabilities

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
*Advances from customers	486	233
**Statutory dues	193	179
	679	**412**

* Refer note no. 31 for disclosure in relation to Ind AS 115- "Revenue from contracts with customers".

** Includes Goods and Service Tax, Tax deducted at source, Provident Fund, Employees State Insurance Corporation, Profession Tax, etc.

19 Revenue from Operations

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
* Sale of Food and beverages	10,779	27,619
Revenue from Air Catering and Allied Services	2,711	7,433
Management and operating fees	-	28
Service Export India Scheme Income	36	79
Other Operating Revenue	273	1,296
Total	**13,799**	**36,455**

* Refer note no. 31 for disclosure in relation to Ind AS 115- "Revenue from contracts with customers".

20 Other Income

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Interest Income on:		
- Inter-corporate deposits	-	96
- Deposits with banks	9	19
- Others (including income tax refunds)	98	19
	107	**134**
Dividend Income from Current Investments	-	148
Profit on disposal of property, plant and equipment (net)	7	5
Net gain on Sale of Investments	78	22
Other Non Operating Income	59	157
Total	**251**	**466**

21 Food and Beverages Consumed

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Opening Stock	301	233
Add: Purchases	4,025	10,708
	4,326	**10,941**
Less: Closing Stock	215	301
Food and Beverages Consumed	**4,111**	**10,640**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

22 Employee Benefit Expense and Payment to Contractors

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Salaries, Wages, Bonus etc.	7,097	8,474
Company's Contribution to Provident and Other Funds (Refer note (i) below)	657	609
Reimbursement of Expenses on Personnel Deputed to the Company	254	282
Payment to Contractors	1,345	2,498
Staff Welfare Expenses	646	1,098
Total	**9,999**	**12,961**

(i) The Company has recognised the following amounts under the head "Company's Contribution to Provident Fund and Other Funds"

Particulars	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Provident Fund:		
- To Regional Provident Fund (RPF)	28	30
- To Indian Hotels Company Limited Employee Provident Fund Trust	166	163
Gratuity Fund	218	165
Company's Contribution to Employee Pension Scheme	207	234
Employee Deposit Linked Insurance	8	9
Superannuation Fund	30	8
Total	**657**	**609**

(ii) Consequent to the acquisition of the Air Catering business from IHCL and its affiliates, the employees attached to the respective Air Catering Divisions of IHCL were transferred to the Company. Since a formal approval to establish the Provident Fund trust for Mumbai, Delhi and Amritsar location is still awaited from the PF Commissioner, the Fund continues to be administered by IHCL. Provident Fund for other locations i.e. Kolkata, Bangalore and Goa are administered by the respective Regional Provident Fund Commissioner "RPFC".

23 Finance Cost

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Finance costs consist of the following:		
*Interest cost on lease liabilities	96	113
Other interest costs	51	5
Total	**147**	**118**

* Refer note no. 32 for disclosure in relation to Ind AS 116- "Leases".

24 Other operating and general expenses

		Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
(i)	**Operating expenses consist of the following:**		
	Catering Supplies	623	1,109
	Other Supplies	307	400
	Fuel, Power and Light	1,396	2,636
	Repairs to Buildings	100	215
	Repairs to Machinery	149	295
	Repairs to Others	248	330
	Linen and Uniform Washing and Laundry Expenses	33	196
	Travel Agents' Commission	183	77
	Other Operating Expenses	698	1,332
		3,737	**6,590**
(ii)	**General expenses consist of the following:**		
	Rent	8	11
	License Fees	25	34
	Rates and Taxes	265	327
	Insurance	186	166
	Advertising and Publicity	18	21
	Printing and Stationery	65	119
	Passage and Travelling	34	100
	Provision for Doubtful Debts	109	910
	Doubtful Advances written off	2	6
	Expenditure on Corporate Social Responsibility (Refer Footnote (ii) below)	77	73
	Professional Fees	446	821
	Outsourced Support Services	1	7
	Payment made to Statutory Auditors (Refer Footnote (i) below)	63	64
	Directors' Fees and Commission	16	16
	Operating / Management Fees Paid	76	43
	Other Expenses	246	511
		1,637	**3,229**
	Total	**5,374**	**9,819**

Footnotes:

(i)	**Payment made to Statutory Auditors:**		
	As statutory auditors	53	53
	As tax auditors	8	8
	Reimbursement of out of pocket expenses	1	3
		62	**64**

(ii) During the year the Company has incurred ₹ 77 lakhs (March 31,2020: ₹ 73 Lakhs) towards Corporate Social Responsibility expenditure. (Refer Note 40)

25. Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has assessed the possible impact of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The impact of COVID-19 may be different from that estimated as at the date of approval of these standalone statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company's business was affected during the year under review because of COVID-19 restrictions. While domestic airline carrier resumed their services by end of May 2020, international passengers also availed of services offered under "bubble" arrangements put in place by both Indian and International operators. However, normal inflight catering sales to international airlines operating out of India and which enjoy higher margins were adversely impacted and were significantly lower than revenues recorded in Pre COVID year.

The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year and with the resumption of hot meal services in the second half of the year and gradual opening up of the economy, revenues showed an uptick in comparison to the first half. The Company also intensified its efforts towards diversification of revenue streams and focussed attention on increasing the non-aviation segment with new brand launches and marketing arrangements. In the last Quarter of the year under review, the operating income had grown to 55% of the Pre-COVID level revenue for corresponding period.

While the Company faces challenges due to the 2nd phase of COVID and recent guidelines announced by DGCA for inflight catering on domestic flights, the management is keeping a close watch on evolving situation and taking all necessary steps to protect its business by engaging with its customers, employees and other important stakeholders. The Management believes that its key shareholders i.e. The Indian Hotels Company Limited (IHCL) and SATS Ltd. will continue to support the Company.

26. Going Concern:

The Company faces challanges due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash-flow projections and has prepared a range of scenarios to estimate financing requirements. Subsequent to the reporting date, management has commenced the process to secure additional financing to fulfil its long-term/ working capital requirements. Based on the above, the standalone financial statements of the Company for the year ended March 31, 2021 have been prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

27. Contingent Liabilities:

The Company is involved in the following appellate, judicial and arbitration proceeding matters arising in the course of conduct of the Company's businesses. In few of the proceedings in respect of matters under litigation are in early stages, and in other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, etc. which are in dispute, are as under:

Nature of tax	Amounts claimed			
	Taxes	Interest and penalty	Total	Paid under protest
Service tax				
March 31, 2021	1,251	-	1,251	66
March 31, 2020	1,251	-	1,251	66
Goods and Service Tax				
March 31, 2021	14	22	36	-
March 31, 2020	-	-	-	-
Sales tax and State value added taxes				
March 31, 2021	216	100	316	16
March 31, 2020	124	84	208	16
Profession Tax				
March 31, 2021	4	2	6	2
March 31, 2020	4	2	6	2

(b) Others

1. The license fees for permission for water pipeline over the land belonging to Mumbai International Airport Private Limited has been enhanced by ₹ 9 Lakhs (As at March 31, 2020: ₹ 9 Lakhs) during the financial year 2008-09 which has been contested by the Company.

2. Management is generally unable to reasonably estimate a range of possible loss for proceedings related to labour disputes, including where:

   (i) plaintiffs/parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

   (ii) the proceedings are in early stages;

   (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

   (iv) there are significant factual issues to be resolved; and/or

   (v) there are novel legal issues presented.

   However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

28. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 178 Lakhs (As at March 31, 2020: ₹ 191 Lakhs).

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

29. Acquisition of Taj Madras Flight Kitchen Private Limited

On September 30, 2019, the Company acquired 100% of 1,58,88,165 fully paid up equity shares of Taj Madras Flight Kitchen Private Limited of the face value of ₹ 10 each at a price of ₹ 37.50 per share as determined by an independent valuer.

30. Employee Benefits

(a) The Company has recognised the following expenses as under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

	March 31, 2021 ₹ (in Lakhs)	March 31, 2020 ₹ (in Lakhs)
Provident Fund	194	192
Gratuity Fund	218	165
Company's contribution to Pension Scheme	207	234
Employee Deposit Linked Insurance	8	9
Superannuation Fund	30	9
Total	**657**	**609**

(b) In light of the Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability from the date of judgement.

(c) The Company operates post retirement defined benefit plans as follows: -

Funded:

i. Post Retirement Gratuity

ii. Provident fund – managed through The Indian Hotels Company Limited Employee Provident Fund Trust.

Unfunded:

i. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is unfunded.

(d) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risks, interest rate, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan asset should be invested in equity securities to leverage the return generated by the Fund.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will partially be offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(e) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil."

(f) Provident Fund:

The Provident fund for Mumbai and Delhi units are administered by a separate independent Trust (Indian Hotels Company Limited Employee Provident Fund Trust). These trusts maintain their assets at the group level and do not have assets identifiable specifically for the Company. Other locations i.e. Kolkata, Bangalore and Goa contribute to respective regional provident funds.

The Company contributed ₹ 166 lakhs (As at March 31, 2020: ₹ 163 lakhs) towards the above trust and has been recognised in the statement of profit and loss.

(g) Defined Benefit Plans – As per Actuarial Valuation:

(i) Amount to be recognized in Balance Sheet and movement in net liability

	Gratuity Funded ₹(in Lakhs)	Pension Unfunded ₹(in Lakhs)
Present Value of Funded Obligations		
March 31, 2021	3,911	-
March 31, 2020	3,743	-
Present Value of Unfunded Obligations		
March 31, 2021	-	3
March 31, 2020	-	4
Fair Value of Plan Assets		
March 31, 2021	3,713	-
March 31, 2020	3,389	-
Net (Asset) / Liability		
March 31, 2021	198	3
March 31, 2020	354	4

(ii) Expenses recognized in the Statement of Profit & Loss.

	Gratuity Funded ₹(in Lakhs)	Pension Unfunded ₹(in Lakhs)
Current Service Cost		
Year Ended March 31, 2021	201	-
Year Ended March 31, 2020	169	-
Interest Cost		
Year Ended March 31, 2021	17	1
Year Ended March 31, 2020	(4)	1
Total Expense		
Year Ended March 31, 2021	218	1
Year Ended March 31, 2020	165	1

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(iii) Reconciliation of Defined Benefit Obligation

	Gratuity Funded ₹(in Lakhs)	Pension Unfunded ₹(in Lakhs)
Opening Defined Benefit Obligation		
March 31, 2021	3,743	4
March 31, 2020	3,246	7
Current Service Cost		
March 31, 2021	201	0
March 31, 2020	169	-
Interest Cost		
March 31, 2021	237	1
March 31, 2020	234	1
Actuarial loss / (gain)		
March 31, 2021	(53)	(2)
March 31, 2020	266	3
Benefits Paid		
March 31, 2021	(217)	0
March 31, 2020	(172)	(7)
Closing Defined Benefit Obligation		
March 31, 2021	3,911	3
March 31, 2020	3,743	4

(iv) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded ₹(in Lakhs)	Pension Unfunded ₹(in Lakhs)
Opening Fair Value of Plan Assets		
March 31, 2021	3,389	-
March 31, 2020	3,201	-
Interest on Plan Assets		
March 31, 2021	220	-
March 31, 2020	239	-
Actual return on Plan Assets less Interest on Plan Assets		
March 31, 2021	320	-
March 31, 2020	63	-
Contribution by Employer		
March 31, 2021	-	-
March 31, 2020	59	7
Benefits Paid		
March 31, 2021	(216)	-
March 31, 2020	(173)	(7)
Closing Fair Value of Plan Assets		
March 31, 2021	3,713	-
March 31, 2020	3,389	-

(v) Description of Plan Assets (Managed by an Insurance Company)

Particulars	Gratuity Funded		Pension Unfunded	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Government of India Securities	47%	33%	-	-
Corporate Bonds	26%	24%	-	-
Equity	17%	29%	-	-
Money Market & Others	10%	14%	-	-
Grand Total	**100%**	**100%**	**-**	**-**

(vi) Actuarial Assumptions

Particulars	Gratuity Funded		Pension Unfunded	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate (p.a.)	6.80%	6.65%	6.80%	6.65%
Salary Escalation Rate (p.a.)	5.00%	5.00%	5.00%	5.00%
Employee Turnover	21-30 years - 5% p.a.	21-30 years - 5% p.a.	21-30 years -5% p.a.	21-30 years -5% p.a.
	31-59 years – 1% p.a.	31-59 years – 1% p.a.	31-59 years – 1% p.a.	31-59 years – 1% p.a.
Mortality table*				
Mortality in service	Table 1	Table 1	Table 1	Table 1
Mortality in retirement	Table 2	Table 2	Table 2	Table 2

*Table 1 – Indian Assured Lives mortality (2012-14) Ult table

Table 2 – UK published S1PA Mortality rate

(vii) Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Year ended March 31, 2021	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(3,766)	4,068
Impact of decrease in 50 bps on DBO	4,066	(3,763)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(viii) Amount recorded in Other Comprehensive Income

Particulars	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Remeasurements during the period due to		
Change in financial assumptions	(45)	255
Experience adjustments	(10)	13
Experience adjustments on plan assets	(324)	(63)
Total	**(379)**	**205**

Foot note:

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors

Code on Social Security, 2020:

The Code on Social Security, 2020 ('the Code') relating to employee benefits received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020 and invited suggestions from the stakeholders. The date of implementation of the Code is yet to be notified by the Government and when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The Company will assess the impact of the Code and give effect in the financial results when the Code and Rules thereunder are notified.

31. Ind AS 115 'Revenue from contracts with customers'

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and Loss:

Revenue from operations

	Revenue from contract with customers	Year ended March 31, 2021 ₹ (in Lakhs)	Year ended March 31, 2020 ₹ (in Lakhs)
(a)	Sale of food and beverages	10,779	27,619
(b)	Revenue from Air catering and Allied services	2,711	7,433
(c)	Management and operating fee	-	28
(d)	Other Operating Income	309	1,375
	Total Revenue from operations	**13,799**	**36,455**

Revenue based on products and services:

Revenue from contract with customers	Year ended March 31, 2021 ₹ (In lakhs)	Year ended March 31, 2020 ₹ (In lakhs)
Sale of food and beverages	10,779	27,619
Income from handling services	1,326	3,697
Income from hi-loader service	996	2,637
Income from laundry services	14	618
Income from bonded warehouse	350	406
Income from Miscellaneous services	25	75
Management and operating fee	-	28
Other Operating Income	309	1,375
Total Revenue	**13,799**	**36,455**

Contract Balances

Contract liability

The contract liability relates to the advance consideration received from customers before the related performance obligation is satisfied. Revenue is recognized once the performance obligation is over/ services delivered.

The related disclosures are as under:

Particulars	Year ended March 31, 2021 ₹ (In lakhs)	Year ended March 31, 2020 ₹ (In lakhs)
Advances collected from the customers *	486	233

* Considering the nature of the business, the advance collected are generally materialized as revenue within the same operating cycle.

32. Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 retrospectively with the cumulative effect of being recognised on the date of initial application to the opening balance of retained earnings. The cumulative effect of applying the standard, amounting to ₹639 lakhs was debited to retained earnings (net of taxes and other adjustments).

Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing rate using the prospective approach in respect of the new leases taken during year.

Interest on lease liabilities is ₹ 96 lakhs and ₹ 113 lakhs for the years ended March 31, 2021 and March 31, 2020 respectively.

Depreciation on right of use asset is ₹ 72 lakhs and ₹ 87 lakhs for the years ended March 31, 2021 and March 31, 2020 respectively.

The total cash outflow for leases is ₹ 359 lakhs and ₹ 313 lakhs for the years ended March 31, 2021 and March 31, 2020 respectively.

Lease contracts entered by the Company majorly pertains for buildings taken on lease and vehicles to conduct its business in the ordinary course.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

33. Related Party Disclosures:

(a) The names of related parties of the Company are as under:

i. Entities having joint control

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited (IHCL)	India
SATS Ltd.	Singapore

ii. Entity in which control is held

Name of the Company	% Holding
Taj Madras Flight Kitchen Private Limited (w.e.f. October 1, 2019)	100%

iii. Key management Personnel

Particulars	Relation
Manish Gupta (from August- 2020)	Chief Executive Officer
Sudeep Pal	Chief Financial Officer
Neha Khanna (till November - 2020)	Company Secretary
Bakhtawar K. Irani (from January - 2021)	Company Secretary

iv. Subsidiaries of Entities having joint control

Name of the Company	Country of Incorporation
United Hotels Ltd.	India
Roots Corporation Ltd.	India
Taida Trading and Industries Limited	India
Piem Hotels Ltd.	India

v. Entities where Directors have control /significant influence

Particulars	Place of Incorporation
SATS (India) Co. Pvt Ltd.	India

vi. Post-employment benefit plans:

Taj SATS Air Catering Limited Staff Gratuity Trust

Taj SATS Air Catering Limited Superannuation Scheme

The Indian Hotels Company Limited Employee Provident Fund Trust

(b) Details of Related party transactions during the year ended March 31, 2021 and outstanding balances as at March 31, 2021:

Particulars	Ventures IHCL and SATS Ltd.)	Subsidiaries (TMFK)	Key Management Personnel	Others (IHCL) Subsidiaries)	Entities influenced by Directors	Post Retirement benefit plans
Details of Related party transactions during the year ended March 31, 2021						
Operating fee income	-	-	-	-	-	-
	-	*22*	-	-	-	-
Management and operating fee expense	76	-	-	-	-	-
	43	-	-	-	-	-
Sale of goods	39	*-	-	3	-	-
	7	*-	-	*5*	-	-
Purchase of services	115	*-	-	*-	-	-
	77	*1*	-	*1*	-	-
Deputed Staff cost	94	27	-	-	148	-
	117	*34*	-	-	*130*	-
Sale of services	87	3	-	17	-	-
	123	*12*	-	*4*	-	-
Deputed staff reimbursement and recovery of expenses	-	12	-	-	-	-
	141	*33*	-	-	-	-
Interest Received	-		-	-	-	-
	-	-	-	*95*	-	-
Contributions to funds	-	-	-	-	-	414
	-	-	-	-	-	*336*
Remuneration Paid	-	-	137	-	-	-
	-	-	*95*	-	-	-

* Figures less than ₹ 50,000.

Figures in Italic relate to previous year

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Particulars	Ventures (IHCL and SATS Ltd.)	Subsidiaries (TMFK)	Others (IHCL Subsidiaries)	Entities influenced by Directors
The details of amounts due to or from related parties as at March 31, 2021 and March 31, 2020 are as follows:				
Trade Payables				
March 31, 2021	59	7	-	54
March 31, 2020	*48*	*-**	*1*	*39*
Trade Receivables				-
March 31, 2021	110	3	4	-
March 31, 2020	*145*	*55*	*2*	-
ICD Received				
March 31, 2021	-	600	-	-
March 31, 2020	-	-	-	-
Interest Payable				
March 31, 2021	-	-*	-	-
March 31, 2020	-	-	-	-

*Amount less than ₹50,000.

Figures in Italic relate to previous year

Remuneration paid to Key Management Personnel

Particulars	Year ended March 31, 2021 ₹ (In lakhs)	Year ended March 31, 2020 ₹ (In lakhs)
Manish Gupta (from August, 2020)	66	-
Sudeep Pal	57	80
Neha Khanna (till November, 2020)	9	15
Bakhtawar K. Irani (from January, 2021)*	5	-
Total	**137**	**95**

*Provision created during the year.

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole and long-term incentive.

(c) Statement of Material Transactions:

Name of the Company	The Indian Hotels Company Ltd.	SATS Ltd.	Taj Madras Flight Kitchen Pvt. Ltd.	Post- retirement benefit plan	Roots Corporation Ltd.
Sale of goods	39	-	*-	-	-
	7	-	*-	-	-
Purchase of services	115	-	*-	-	2
	77	-	-	-	*1*
Deputed Staff cost	94	-	27	-	-
	117	*8*	*34*	-	-
Sale of services	84	3	3	-	-
	123	-	*12*	-	*-
Deputed staff reimbursement and recovery of expenses	-	-	12	-	-
	-	*133*	*33*	-	-
Operating fees received/accrued	-	-	-	-	-
	-	-	*22*	-	-
Management and operating fee expense	76	-	-	-	-
	43	-	-	-	-
Contribution to Funds	-	-	-	414	-
	-	-	-	*336*	-

Name of the Company	Piem Hotels Ltd.	Taida Trading & Industries	United Hotels Ltd.	SATS (India) Co. Private Ltd.
Sale of goods	1	-	3	-
	-	-	*5*	-
Purchase of services	-	-	-	-
	*-	-	-	-
Deputed Staff cost	-	-	-	148
	8	-	-	*130*
Sale of services	17	-	-	-
	4	-	-	-
Interest on ICD received	-	-	-	-
	94	*1*	-	-
Deposits Placed	-	-	-	-
	-	-	-	-

* Amount less than ₹ 50,000.

Figures in Italic relate to previous year

34 Tax disclosures

i. Income tax recognised in Statement of Profit and Loss:

Particulars	Year ended March 31, 2021 ₹ (In lakhs)	Year ended March 31, 2020 ₹ (In lakhs)
Current tax expense		
For the year	-	517
In respect of earlier years#	-	(912)
Total	**-**	**(395)**
Deferred tax expense		
For the year	(1,770)	173
Adjustment to deferred tax attributable to changes in tax rates and laws*	-	(454)
In respect of earlier years	-	656
Total	**(1,770)**	**375**
Net Income tax expense recognised in the Statement of Profit and Loss	**(1,770)**	**(20)**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The Company has recognised deferred tax asset of ₹1,419 Lakhs on current year business loss of ₹ 5,639 Lakh and ₹ 300 lakh on unabsorbed depreciation of ₹ 1,192 lakh. Deferred tax asset created on account of business loss is recognised considering that probable taxable profit will be available in subsequent periods, within the statutory time limit for carry forward of business losses, against which the deductible temporary difference created on account of business loss in current year can be utilised. The Company has made the assessment based on the internal budgets and profit forecasts prepared by the management, after duly considering the potential impact of Covid-19 in the future business of the company. Deferred tax asset created on account of unabsorbed depreciation can be carried forward and there is no statutory time limit to offset the same.

#Tax in respect of earlier years is on account of reversal of tax expense on provision for doubtful debts created during the FY 2018-19 which was subsequently claimed as a deduction at the time of filing of income tax return. However, there is no impact of the same in the statement of profit and loss for FY 2019-20, since such writeback for Provision of tax is offset by reversal of Deferred Tax Asset by an equivalent amount.

*The Company have elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company have recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax balances basis the rate prescribed in the said Section. The full impact of this change has been recognised in the statement of profit and loss account for the year ended March 31, 2020.

The Company has reviewed its income tax treatments in order to determine whether Appendix C of Ind AS 12 effective from April 1, 2019 could have an impact on the financial statements and concluded that it has no material impact on the Company's financial statements.

As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities.

After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

ii. The income tax expenses for the year reconciled to the accounting profit:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax from continuing operations:	(7,010)	2,075
Income tax expenses calculated at 25.168 %	(1,764)	522
Effect of depreciation expense not deductible in determining taxable profit	1	(12)
Effect of Corporate Social Responsibility expense not deductible in determining taxable profit	19	9
Effect of Dividend Income that is exempt from taxation	-	(37)
Effect of expenses that are not deductible in determining taxable profit	(29)	208
Effect on deferred tax balances due to the change in income tax rate from 34.944% to 25.168% (effective from April 1, 2019)	-	(454)
Others	3	(1)
	(1,770)	**235**
Tax relating to previous year	-	(255)
Net Income tax expense recognised in the Statement of Profit and Loss	**(1,770)**	**(20)**

iii. Analysis of deferred tax assets/liabilities presented in the balance sheet

a. Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

Particulars	Opening balance as at April 1, 2020	Recognised in profit or loss	Closing balance as at March 31, 2021
Property, plant and equipment and intangible assets	2,494	(42)	2,452
Provision for employee benefits	(228)	(22)	(250)
Provision for doubtful debts	(51)	4	(47)
Lease Liabilities	(215)	45	(170)
Current year business loss and unabsorbed depreciation	-	(1,719)	(1,719)
Others	-	(36)	(36)
Net Deferred Tax Liabilities	**2,000**	**(1,770)**	**230**

b. Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

Particulars	Opening balance as at April 1, 2019	Adjustment on account of IND AS 116	Recognised in profit or loss	Closing balance as at March 31, 2020
Property, plant and equipment and intangible assets	3,487	-	(993)	2,494
Provision for employee benefits	(464)	-	236	(228)
Provision for doubtful debts	(1,056)	-	1,005	(51)
Lease Liabilities	-	(342)	127	(215)
Net Deferred Tax Liabilities	**1,967**	**(342)**	**375**	**2,000**

35 Segment Information:

The Company is engaged in the business of airline and allied catering only. These, in the context of Indian Accounting Standard 108 (Ind AS 108) on segment reporting are considered to constitute single operating segment. The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

As the Company is engaged in a single operating segment, segment information is tabulated below:

Revenue from major products and services.

The following is an analysis of the Company's revenue from operations from its major products and services.

Particulars	Year ended March 31, 2021 ₹ (in Lakhs)	Year ended March 31, 2020 ₹ (in Lakhs)
Sale of food and beverages	10,779	27,619
Handling services	1,326	3,697
Hi-Lift services	996	2,637
Total	**13,101**	**33,953**

Information about major customers: Included in revenue arising from operations of ₹ 13,799 Lakhs (2019-20: ₹36,455 Lakhs) (see note 19) are revenues of approximately ₹7,853 Lakhs (2019-20:₹12,466 Lakhs) which arose from sales to Company's four largest customers that contributes greater than 10% of the revenues during the year. No other single customers contributed 10% or more to the Company's revenue for the year ended March 31, 2021 and March 31, 2020.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

36 Earnings per Share (EPS):

Earnings Per Share is calculated in accordance with Indian Accounting Standard 33 – 'Earnings Per Share'

Particulars	March 31, 2021	March 31, 2020
Profit/(Loss) after tax (₹ Lakhs)	(5,240)	2,095
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS and Diluted EPS	1,74,00,000	1,74,00,000
Face Value per Ordinary Share (₹)	10	10
Earnings Per Share (₹):		
Basic and Diluted	(30.12)	12.04

37 Amalgamation

On July 22, 2020, the Board of Directors have approved merger of Taj Madras Flight Kitchen Private Limited (Wholly owned subsidiary) with the Company. The merger scheme was filed on November 16, 2020 in National Company Law Tribunal (NCLT), Mumbai and on November 10, 2020 in National Company Law Tribunal (NCLT), Chennai. Pending approval from NCLT, the effect of merger is not given in the financial statements.

38 Financial Instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories is as follows

Fair Value Measurement:

₹ Lakhs

March 31, 2021	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	180	180
Bank balance other than cash and cash equivalents	-	52	52
Investments	423	-	423
Loans	-	-	-
Trade Receivables	-	4,776	4,776
Other financial assets	-	803	803
Total	**423**	**5,811**	**6,234**
Financial liabilities:			
Lease Liabilities	-	1,494	1,494
Trade Payables	-	2,860	2,860
Borrowings	-	600	600
Other financial liabilities	-	1,697	1,697
Total	**-**	**6,651**	**6,651**

₹ Lakhs

March 31, 2020	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	26	26
Other balance with banks	-	104	104
Investments	4,176	-	4,176
Loans	-	-	-
Trade Receivable	-	6,831	6,831
Other financial assets	-	675	675
Total	**4,176**	**7,636**	**11,812**
Financial liabilities:			
Lease Liabilities		1,227	1,227
Trade Payables	-	3,685	3,685
Borrowings	-	586	586
Other financial liabilities	-	1,919	1,919
Total	**-**	**7,417**	**7,417**

Footnote:

The above excludes non current investments amounting to ₹ 5,958 lakhs

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes mutual funds that have quoted price/ declared NAV.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ (in Lakhs)

As of March 31, 2021:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	423	-	-	423
Total	**423**	**-**	**-**	**423**

₹ (in Lakhs)

As of March 31, 2020:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	4,176	-	-	4,176
Total	**4,176**	**-**	**-**	**4,176**

i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(b) Financial risk management:

The Company has exposure to the following risk arising from financial instruments:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

ii) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. However, Company does not have any exposure in foreign currency and hence it is not exposed to foreign currency exchange rate risk.

iii) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company does not have any long term borrowings at variable interest rates and hence is not exposed to interest rate risk.

iv) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits, loans and other financial assets. None of the other financial instruments of the Group result in material concentration of credit risk

(c) Capital Management:

The Company's objective for capital management is to maximise shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and borrowings – long-term and short-term. The Company has undrawn overdraft/ cash credit facility for meeting its future working capital requirements. Subsequently to the reporting date, management has commenced the process to secure additional financing to fulfil its long term/working capital requirements.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹6,234/- Lakhs and ₹11,812/- Lakhs as of March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments.

Taj SATS's exposure to customers is diversified and customers contributing to more than 10% of outstanding accounts receivable and unbilled revenue are as given below.

Particulars	As at March 31, 2021	As at March 31, 2020
Customer count	2	1
Amount receivable	2,623	1,825

There is no other customer single customer contributing to more than 10% of the accounts receivable and unbilled revenue.

(d) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Company does not breach borrowing limits. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial ratio targets.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Maturities of financial liabilities

The Following are the remaining constractual maturities of financial liabilities at the reporting date. The amounts are gross undiscounted and exclude future contractual interest payments.

Non-derivative financial liabilities	Carrying value as at March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Lease Liabilities	1,494	792	208	590	189	1,779
	1,226	*342*	*264*	*667*	*320*	*1,593*
Trade and other payables	2,860	2,860	-	-	-	2,860
	3,685	*3,685*	-	-	-	*3,685*
Other financial liabilities	1,600	1,600	-	-	-	1,600
	1,744	*1,744*	-	-	-	*1,744*
Total	**5,954**	**5,252**	**208**	**590**	**189**	**6,239**
	6,655	*5,771*	*264*	*667*	*320*	***7,022***

Figures in Italics are of previous year

39 Earnings in Foreign Exchange:

₹ (in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Earnings in Foreign Exchange:	757	10,434
(On accrual basis)		

Earnings in foreign exchange represent amounts received/receivable by the Company from International Airlines, charters, diplomatic missions etc. in Indian Rupees out of their repatriable funds and include settlements made in foreign currency by the customers.

40 Corporate Social Responsibility

As required by Section 135 of Companies Act 2013, and rules therein, the Company has spent the following amount during the year towards Corporate Social Responsibility (CSR) for activities listed under Section VII of the Companies Act, 2013

a) Gross amount required to be spent by the Company during the year 2020-21 ₹ 77 Lakhs (As at March 31, 2020: ₹ 73 Lakhs).

b) Amount spent during the year on:

₹ (in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) On purpose other than Construction/ acquisition of any asset	77	73

c) There are no unspent and excess amount which needs to be disclosed as a part of Section 135(5) and Section 135(6) of Companies Act, 2013.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

41. Previous year comparatives

Previous year comparatives have been regrouped as below

(₹ in lakhs)

S. no	Particular	Amount	Regrouped From	Regrouped to
1	Other employee benefits	978	Current Liabilities- Provisions	Current Liabilities- Other Financial liabilities
2	Advance income Tax (net)	378	Advance income Tax (net)	Other tax liabilities (Net)

42 Overdraft balance

Overdraft in current account carries interest rate in the range of 9.50% p.a. -10.85% p.a. as at March 31, 2020.

43 Other Information:

Information with regard to other matters, as required by Schedule III to the Act is either NIL or not applicable to the Company for the year.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai, April 22, 2021

For and on behalf of the Board of Directors
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN: 07624616

Mehernosh Kapadia
Vice Chairman
DIN: 00050530

Giridhar Sanjeevi
Director
DIN: 06648008

Manish Gupta
Chief Executive Officer

Sudeep Pal
Chief Financial Officer

Bakhtawar K. Irani
Company Secretary
Membership No: A17753

Independent Auditor's Report

To the Members of

Taj Madras Flight Kitchen Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Taj Madras Flight Kitchen Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw attention to Note no. 24 of the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (Contd.)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its financial statements - Refer Note no. 26 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, no remuneration is paid by the company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

Place: Mumbai
Date: April 20, 2021

Suhas Pai
Partner
Membership No.119057
UDIN: 21119057AAAAAU1161

Annexure A

Annexure - A to the Independent Auditors' Report on the Financial Statements of Taj Madras Flight Kitchen Private Limited for the year ended March 31, 2021

(Referred to in paragraph 1 under 'Report on Other legal and Regulatory requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the immovable properties on leased land are disclosed under property, plant and equipment in the financial statements. The arrangements in respect of the aforesaid lease land are in the name of the Company, where the Company is lessee in the agreement.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of account.

(iii) In our opinion, and according to the information and explanations given to us and on the basis of our examination of the records, the Company has granted an unsecured loan to its Holding Company, Taj SATS Air Catering Limited covered in the register maintained under Section 189 of the Act.

a) The terms and conditions of the loans are not prejudicial to the Company's interest.

b) The schedule of repayment of principal and interest have been stipulated and the loan repayment is not due in the current year.

c) No amount is overdue as at the balance sheet date.

(iv) The Company has not granted any loans or provided any guarantee or security to the parties covered under section 185 of the Act. The Company has complied with the provision of section 186 of the Act in respect of loans to the parties covered under section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of the services rendered and goods sold by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Cess, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise and duty of customs.

Annexure A (Contd.)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us, there are no dues of Income-tax, Service tax, Duty of excise and Value added tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Disputed but not Deposited (Rs. in Lakhs)
Central Excise Act 1944	Excise Duty, Penalty and Interest	Custom Excise and Service Tax Appellate Tribunal (CESTAT)	2003-04 to 2008-09	62
Tamil Nadu Value added Act 2006	Value Added Tax	Appellate Deputy Commissioner	2010-11 to 2011-12	231
Finance Act, 1994	Service Tax	Custom Excise and Service Tax Appellate Tribunal (CESTAT)	2004-05 to 2012-13	74
Income Tax Act 1961	Income Tax	Assistant Commissioner Of Income Tax	2005-06	4
Income Tax Act 1961	Income Tax	Income Tax Appellate Tribunal (ITAT)	2006-07	31
Income Tax Act 1961	Income Tax	Assistant Commissioner Of Income Tax	2009-10	32

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings to any financial institution, bank, government, or debenture holder during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of the examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standards (Ind AS) 24, Related Party Disclosures prescribed under Section 133 of the Act, read with the relevant rules.

Annexure A (Contd.)

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

Place: Mumbai
Date: April 20, 2021

Suhas Pai
Partner
Membership No.119057
UDIN: 21119057AAAAAU1161

Annexure B

Annexure B to the Independent Auditors' report on the financial statements of Taj Madras Flight Kitchen Private Limited for the period ended March 31, 2021.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion
We have audited the internal financial controls with reference to financial statements of Taj Madras Flight Kitchen Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls
The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements
A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

Annexure B (Contd.)

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

Place: Mumbai
Date: April 20, 2021

Suhas Pai
Partner
Membership No.119057
UDIN: 21119057AAAAAU1161

Balance Sheet as at March 31, 2021

	Note	As at March 31, 2021	As at March 31, 2020
			₹ (in Lakhs)
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	776	912
Capital work-in-progress		1	5
Right of use asset	3(a)	198	238
Other Intangible assets	3(b)	30	38
		1,005	**1,193**
Financial Assets			
*Investment	4(a)	0	0
Loans	7(a)	-	18
Other Financial assets	5(a)	468	472
Other tax assets (net)		578	441
Deferred tax assets (net)	11	394	229
Other non-current assets	6(a)	31	32
		1,471	**1,192**
Current assets			
Inventories	8	15	25
Financial assets			
Investments	4(b)	1,811	2,453
Trade receivables	9	178	1,084
Cash and cash equivalents	10 (a)	119	193
Bank Balance other than cash and cash equivalents	10 (b)	268	266
Loans	7(b)	627	14
Other financial assets	5(b)	4	6
Other current assets	6(b)	76	44
		3,098	**4,085**
TOTAL ASSETS		**5,574**	**6,470**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,589	1,589
Other equity	13	2,817	3,452
Total Equity		**4,406**	**5,041**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities		54	64
Other Financial Liabilities	14(a)	2	7
Provisions	15(a)	325	364
		381	**435**
Current Liabilities			
Financial liabilities			
Lease Liabilities		10	10
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	12	74
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	505	482
Other financial liabilities	14(b)	107	235
Current tax liabilites		79	79
Provisions	15(b)	66	82
Other current liabilities	17	8	32
		787	**994**
TOTAL EQUITY AND LIABILITIES		**5,574**	**6,470**

* All the values representing "0" in the financial statement are below ₹ 50,000

The accompanying notes form an integral part of the standalone financial statements: Refer note no. 1 - 38.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
Taj Madras Flight Kitchen Private Limited
CIN: U55204MH2001PLC133177

Suhas Pai
Partner
Membership No: 119057

Mohammed Saleem Yousuff
Chairman and Director
DIN: 07246763
Place: Chennai

Sudeep Pal
Director/CFO
DIN: 02937626
Place: Mumbai

Nithin Tom
Company Secretary
Membership No. A53056
Place: Chennai

Mumbai
April 20, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ (in Lakhs)

	Note	March 31, 2021	March 31, 2020
Revenue from operations	18	1,112	5,002
Other income	19	92	109
TOTAL INCOME		**1,204**	**5,111**
Expenses			
Food and beverages consumed	20	306	1,453
Employee benefits expense and payment to contractors	21	1,030	1,518
Depreciation and amortisation expense	3(a), 3(b)	195	226
Finance costs	22	5	6
Other operating and general expenses	23	629	1,551
TOTAL EXPENSES		**2,165**	**4,754**
(LOSS)/ PROFIT BEFORE TAX		**(961)**	**357**
Tax expenses			
Current tax		-	163
Current tax (earlier years)		(77)	-
Deferred tax		(165)	(84)
TOTAL TAX EXPENSE		**(242)**	**79**
(LOSS)/ PROFIT FOR THE YEAR		**(719)**	**278**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		84	(11)
Less: Income tax expense		-	3
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**84**	**(8)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(635)**	**270**
Earnings per share - Basic and diluted (₹)		(4.53)	1.75
Face value per ordinary share - (₹)		10	10

The accompanying notes form an integral part of the standalone financial statements: Refer note no. 1 - 38.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
April 20, 2021

For and on behalf of the Board of Directors
Taj Madras Flight Kitchen Private Limited
CIN: U55204MH2001PLC133177

Mohammed Saleem Yousuff
Chairman and Director
DIN: 07246763
Place: Chennai

Sudeep Pal
Director/CFO
DIN: 02937626
Place: Mumbai

Nithin Tom
Company Secretary
Membership No. A53056
Place: Chennai

Cash Flow Statement for the year ended March 31, 2021

₹ (in Lakhs)

	Particulars	March 31, 2021 ₹ in Lakhs	March 31, 2020 ₹ in Lakhs
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	(Loss)/ Profit before tax	(961)	357
	Adjustments for:		
	Depreciation and amortisation expenses	195	225
	Loss on fair value of investments	5	35
	* Profit on sale / disposal of Property, Plant and Equipment (net)	(0)	(0)
	Provision for doubtful debts	-	71
	Provision for employee benefits	45	(23)
	Dividend income from current investments	(64)	(57)
	Interest income from bank	(16)	(17)
	Interest income (Others)	(11)	(9)
	Finance costs	5	7
	Other non operating income	(1)	(1)
	Operating Profit before Working Capital changes	**(803)**	**588**
	Adjustments in:		
	Trade receivables	906	(170)
	Other financial assets	(3)	(16)
	Inventories	10	(3)
	Other assets	(31)	(29)
	Loans	(595)	-
	Adjustments in:		
	Trade payables	(39)	157
	Provisions	(16)	-
	Other financial liabilities	(133)	(20)
	Other liabilities	(24)	73
		75	**(8)**
	Cash Generated from Operations	(728)	580
	Net income tax paid	(49)	(147)
	NET CASH FROM OPERATING ACTIVITIES (A)	**(777)**	**433**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment and other intangibles (including advances for capital expenditure)	(8)	(74)
	* Proceeds from sale/disposal of property, plant and equipment	0	(0)
	Purchase of current investments in Mutual funds	(58)	(1,900)
	Loss / (Gain) on fair value of investments	(5)	-
	Redemption proceeds of current investments in Mutual funds	700	1,503
	Earmarked balances with bank	(2)	(1)
	Dividend income from current investments	64	19
	Interest Received	27	-
	NET CASH USED IN INVESTING ACTIVITIES (B)	**718**	**(453)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Payment of Lease Liabilities	(10)	(10)
	Interest on Payment of Lease Liabilities	(5)	(6)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(15)**	**(16)**
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B +C)	**(74)**	**(36)**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	193	229
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**119**	**193**

* All the values representing "0" in the financial statement are below ₹ 50,000

Cash Flow Statement for the year ended March 31, 2021

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS - 7) statement of cash flow.

2 Figures in brackets are outflow / deduction.

₹ (in Lakhs)

		March 31, 2021 ₹ in Lakhs	March 31, 2020 ₹ in Lakhs
3	Cash and cash equivalents comprises of		
	Balances with Banks		
	- Current Account	118	192
	- Cash on hand	1	1
	Cash and cash equivalents (Note no. 10(a))	**119**	**193**

The accompanying notes form an integral part of the standalone financial statements: Refer note no. 1 - 38.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
April 20, 2021

For and on behalf of the Board of Directors
Taj Madras Flight Kitchen Private Limited
CIN: U55204MH2001PLC133177

Mohammed Saleem Yousuff
Chairman and Director
DIN: 07246763
Place: Chennai

Sudeep Pal
Director/CFO
DIN: 02937626
Place: Mumbai

Nithin Tom
Company Secretary
Membership No. A53056
Place: Chennai

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital

Balance as at April 01, 2019	Changes in equity share capital during the period	Balance as at March 31, 2020
1,589	-	1,589

Balance as at April 01, 2020	Changes in equity share capital during the period	Balance as at March 31, 2021
1,589	-	1,589

B. Other equity

Particulars	Reserves and Surplus			Total Equity
	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at April 1, 2019	-	387	2,844	3,231
Profit for the year	-	-	278	278
Transition Impact on adoption of new accounting standard - Ind AS 116 'Leases' (refer Note No. 29)	-	-	(49)	(49)
Other Comprehensive Income			(8)	(8)
	-	**-**	**221**	**221**
Balance as at March 31, 2020	**-**	**387**	**3,065**	**3,452**
Balance as at April 1, 2020	-	387	3,065	3,452
Loss for the year	-	-	(719)	(719)
Other Comprehensive Income	-	-	84	84
	-	**-**	**(635)**	**(635)**
Balance as at March 31, 2021	**-**	**387**	**2,430**	**2,817**

The accompanying notes form an integral part of the standalone financial statements: Refer note no. 1 - 38.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
April 20, 2021

For and on behalf of the Board of Directors
Taj Madras Flight Kitchen Private Limited
CIN: U55204MH2001PLC133177

Mohammed Saleem Yousuff
Chairman and Director
DIN: 07246763
Place: Chennai

Sudeep Pal
Director/CFO
DIN: 02937626
Place: Mumbai

Nithin Tom
Company Secretary
Membership No. A53056
Place: Chennai

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

1. Corporate Information

Taj Madras Flight Kitchen Private Limited ('the Company') was incorporated on March 29, 1995. The Company is domiciled in India, with its registered office situated at Taj Coromandel, 37, Mahatma Gandhi Road, Chennai - 600034.

The Company provides in-flight catering services, institutional catering of food and beverages and other allied services to airlines and various other institutions, corporate houses, cafeterias, etc. The Company has production facility in Chennai.

During the year 2019-2020, Taj SATS Air Catering Limited has acquired shares completely from the erstwhile shareholders (i.e. The Indian Hotels Company Limited, Singapore Airport Terminal Services Limited and Malaysia Airlines Berhad). Accordingly, the Company has become wholly owned subsidiary of Taj SATS Air Catering Limited.

This Standalone Financial Statements for the year ended March 31, 2021 were approved by the Company's Board of Directors on April 20, 2021.

2. Significant Accounting Policies

The standalone financial statements have been prepared on the following basis:

(a) Statement of compliance:
These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation and presentation:
These standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. All assets and liabilities are classified as current and non-current as per Company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date. All amounts disclosed in the standalone financial statements and notes to accounts have been rounded off to the nearest lakhs, unless otherwise stated.

The financial statements are presented in Indian rupees (₹), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

All the values representing “0” in the financial statement are below ₹ 50,000

(c) Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements pertain to:

- **Useful life of property, plant and equipment and intangible assets:** The carrying value of property, plant and equipment and intangible asset is calculated on the basis of estimates of depreciation periods derived from the expected technical and useful life of the asset concerned, and residual values. The expected technical and useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset.
- **Impairment of investments:** The Company reviews carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its’ carrying amount, the impairment loss is accounted for.
- **Contingencies and Commitments**

  From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Income taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management’s expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charges in the Statement of Profit or Loss.
- Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.
- **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

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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. Critical judgements in determining the discount rate: The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
- Estimation uncertainty relating to global health pandemic on COVID 19 - refer Note No. 24.

(d) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is charged to the statement of profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of depreciation on buildings on leased properties, it is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated balance useful lives.

Depreciation on tangible property, plant and equipment has been provided on the straight-linemethod as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of Assets	Estimated Useful Life
Building	30 years
Plant and Equipment	15 to 20 years
Furniture and Fixtures	15 years
Data processing equipment	6 years
Office equipment	12 to 15 years
Vehicles	8 to 16 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid, less any recognized impairment loss.

(e) Intangible Assets

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets are amortised on a straight-line basis over the estimated useful lives. The amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or loss arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The capitalised cost of SAP software (including licenses) is amortised over ten years from the date of capitalisation on a straight line basis considering its estimated useful life, the cost of other software licenses is amortised over six years from the date of capitalisation on a straight line basis considering its estimated useful life.

(f) Impairment of tangible and intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, and whenever there is an indication that the assets may be impaired.

At each Balance sheet date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) and an impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(g) Leases

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's statement of financial position as a right-of-use asset and a lease liability.

Right to use assets

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually.

Lease

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is reasonably certain that it will not exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable Lease

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.

Short-term leases and leases of low-value assets

The Company has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a lease term of 12 months or less and don't contain purchase option. Costs associated with such leases are recognised as an expense on a straight-line basis over the lease term.

Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17, applying the practical expdient to grandfather the assessment of which transactions are leases.

Presentation of lease payments in Cash Flow Statements:

Lease payments are presented as follows in the Company's statement of cash flows:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

- Payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- Payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

COVID-19-related rent concessions

In the previous year the Company had applied the below amendments to Ind AS 116 that are effective for an annual period that begins on or after April 1, 2020:

The Company had adopted the amendments to Ind AS 116 for the first time in the previous year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- There is no substantive change to other terms and conditions of the lease.

(h) Inventories:

Stock of food and beverages, stores and operating supplies are carried at the lower of cost (computed on a weighted average basis) or net realisable value. Cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(i) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present (legal or constructive) obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and circumstances surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows determined using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

having a largely probable outflow of resources are provided for contingent assets are neither recognised nor disclosed in the standalone financial statement.

(j) Revenue Recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of indirect taxes, returns and discounts. In respect of expired contracts under renewal, revenue is recognised based on the erstwhile contract/ understanding with the contracting parties.

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate unit of account is based on the relative fair value of each unit. If the fair value of the delivered items is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered items.

Income from operations:

Food and Beverages: Revenue from sale of food and beverages is recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/understanding with the customer.

Revenue from Air catering and allied services: Revenue from Air Catering and allied services includes revenue from handling services, hi-loader services, bonded warehouse, laundry income, and other services and the revenue has been recognised by reference to the time of service rendered.

Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Other Operating Income: Other operating income includes revenue from catering supplies/ bought out items which are recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/understanding with the customer.

Dividend Income: Dividend income from mutual funds is recognised when the Company’s right to receive the amount is established.

Interest Income: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

(k) Foreign currency transactions:

The functional currency of the Company is Indian rupees (₹).

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign currency denominated assets and liabilities are translated at the exchanges rates prevailing at the balance sheet date and exchange gain and losses arising on settlement and restatement are recognized in the Statement of Profit and loss.

(l) Government Grants:

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(m) Employee Benefits:

A) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate legal entity and will have no legal or constructive obligation to pay further amounts.

Percentage of the employee's eligible salary to a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employee's eligible salary). The contributions are made to to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of profit and loss.

In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss.

B) Defined Benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

i. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment.

The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The Company also has separate unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognized immediately in the other comprehensive income and reflected immediately in retained earnings and will not be reclassified to profit and loss.

C) Other employee benefits

i. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

ii. Other Employee Benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for the employee entitlements such as salaries, bonuses, annual leave, leave travel allowances, represents amounts which the Company has a present obligation to pay as a result of the employee services and the obligation can be measured reliably. The accruals have been calculated as undiscounted amounts based on current salary levels as at the Balance Sheet date.

(n) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expense relates. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with applicable rates and prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority

(o) Financial Instruments:

i. Financial assets

Initial recognition and measurement

Financial assets are recognised when the Company becomesa party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at - amortised cost

- fair value through profit and loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the company changes its business model for managing financial assets."

Classification

- **Cash and Cash Equivalents** – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- **Debt Instruments** – The Company classifies its debt instrument as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

I Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

II Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

IIIFinancial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each Balance Sheet date, right from its initial recognition.

(p) Earnings per share:

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(q) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

3(a) Property, Plant and Equipment

₹ (in Lakhs)

	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data processing equipment	Vehicles	Total	Right of use Asset (Refer Note No.32)
Cost								
At April 1, 2019	463	936	8	6	30	184	1,627	-
Additions	-	42	-	1	-	-	43	277
Disposals/ Transfer	-	9	-	-	-	-	9	-
At March 31, 2020	**463**	**969**	**8**	**7**	**30**	**184**	**1,661**	**277**
Additions		5	-	-		6	11	-
Disposals/ Transfer	-	-	-	-		2	2	-
At March 31, 2021	**463**	**974**	**8**	**7**	**30**	**188**	**1,670**	**277**
Depreciation								
At April 1, 2019	133	365	2	3	15	58	576	-
Charge for the year	37	120	1	1	4	18	181	39
Disposals	-	8	-	-	-	-	8	-
At March 31, 2020	**170**	**477**	**3**	**4**	**19**	**76**	**749**	**39**
Charge for the year	37	89	-	1	4	16	147	40
Disposals	-	-	-	-		2	2	-
At March 31, 2021	**207**	**566**	**3**	**5**	**23**	**90**	**894**	**79**
Net block as at March 31, 2020	**293**	**492**	**5**	**3**	**11**	**108**	**912**	**238**
Net block as at March 31, 2021	**256**	**408**	**5**	**2**	**7**	**98**	**776**	**198**

3(b) Intangible Assets (Acquired)

	Software	Total
Cost		
At April 1, 2019	18	18
Additions	34	34
Disposals	-	-
At March 31, 2020	**52**	**52**
Additions	-	-
Disposals	-	-
At March 31, 2021	**52**	**52**
Amortisation		
At April 1, 2019	8	8
Charge for the year	6	6
Disposals	-	-
At March 31, 2020	**14**	**14**
Charge for the year	8	8
Disposals	-	-
At March 31, 2021	**22**	**22**
Net block as at March 31, 2020	**38**	**38**
Net block as at March 31, 2021	**30**	**30**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

4 Financial Assets

a) Non-current investments

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Equity instruments		
*1,950 (March 31, 2020: 1,950) equity shares of A.K Green Private Limited ₹ 10 each fully paid up	0	0
Total non-current investments	**0**	**0**
Footnote:		
(a) (i) Aggregate amount of quoted investments	-	-
Market amount of quoted investments	-	-
* (ii) Aggregate value of unquoted investments	0	0
(iii) Aggregate amount of impairment in value in investments	-	-

b) Current investments

	March 31, 2021		March 31, 2020	
	Holdings (unit)	₹ (in Lakhs)	Holdings (unit)	₹ (in Lakhs)
Investments carried at fair value through profit and loss				
Investments in Mutual fund units (Unquoted)				
Tata Overnight Fund - Direct Plan - Dividend	1,05,170	1,051	1,02,297	1,023
ICICI Prudential Mutual Fund - Overnight fund Daily Dividend	5,22,111	522	50,330	503
Aditya Birla Capital -Overnight fund Daily Dividend	21,674	217	9,00,461	901
Tata Treasury Advantage Fund Direct plan Daily Dividend	1,91,309	21	1,91,309	26
Total		**1,811**		**2,453**

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Footnote:		
(a) (i) Aggregate amount of quoted investments	-	-
Market amount of quoted investments	-	-
(ii) Aggregate amount of unqoted investments	1,811	2,453
(iii) Aggregate amount of impairment in value in investments	-	-

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

5 Other Financial Assets

(Unsecured, considered good unless otherwise stated)

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
a)	**Non Current**		
	(Unsecured, considered good unless otherwise stated)		
	Security deposit with public bodies and others	365	377
	Security Deposit - Lease hold Land	103	95
		468	**472**
b)	**Current**		
	(Unsecured, considered good unless otherwise stated)		
	Interest receivable		
	Others	2	2
		2	**2**
	Other receivables		
	Others	2	4
		2	**4**
		4	**6**

6 Other Assets

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
a)	**Other Non Current Assets**		
	Capital Advances	-	1
	Export incentive receivable	31	31
		31	**32**
b)	**Other Current Assets**		
	Prepaid expenses	8	9
	Advance to suppliers	30	2
	Balance with statutory and government authorities	38	27
	Advance to employees	0	6
		76	**44**

7 Loans

Unsecured, cosidered good

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
(a)	**Non Current**		
	Loan to Employees	-	18
		-	**18**
(b)	**Current**		
	Loan to Employees	27	14
	Inter Corporate Deposit to Taj SATS Air Catering Ltd	600	-
		627	**14**

refer Note No. 36

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

8 Inventories

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Food and beverages	4	13
Stores and operating Supplies	11	12
	15	**25**

Footnote:

(a) Inventories are valued at the lower of cost and net realisable value. Cost are determined using the weighted average method and includes purchase price and non-refundable taxes.

(b) The write down of inventories to net realisable value during the year amounted to ₹ 6 Lakhs (March 31, 2020 - ₹ 8 Lakhs) and the are included in food and beverages consumed.

9 Trade receivables

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Unsecured		
a) Considered good	362	1,084
Less: Allowance for doubtful trade receivables	(184)	-
	178	**1,084**
b) Credit impaired	361	545
Less: Allowance for doubtful trade receivables	(361)	(545)
	-	-
	178	**1,084**
Footnote:		
i) Allowance for doubtful trade receivables		
Opening Balance	545	474
Add: Allowance during the year	-	71
Closing Balance	**545**	**545**
ii) For related party balances refer Note No. 30		

10(a) Cash and Cash Equivalents

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Cash on hand	1	2
Balances with bank in current account	118	191
	119	**193**

10 (b) Bank Balance other than cash and cash equivalents

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Earmarked balances	268	266
	268	**266**

Note: Fixed deposit with HDFC Bank Limited is for the purpose of bank gurantee isssued in the favour of Government authorities with respect to on- going litigation.

11 Deferred Tax Asset (Net)

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	(32)	(42)
Lease Liabilities (refer Note No. 29)	(34)	(40)
Total (A)	**(66)**	**(82)**
Deferred Tax Assets:		
Provision for Employee Benefits	116	124
MTM gain	25	23
Provision for doubtful debts	60	137
Others	259	27
Total (B)	**460**	**311**
Net Deferred Tax Asset (A-B)	**394**	**229**

refer Note No. 31

12 Share Capital

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
Authorised Share Capital		
16,000,000 (March 31, 2020: 16,000,000) equity shares of ₹ 10/- each	1,600	1,600
	1,600	**1,600**
Issued Share Capital		
15,900,000 (March 31, 2020: 15,900,000) equity shares of ₹ 10/- each	1,590	1,590
	1,590	**1,590**
Subscribed and Paid Up		
15,888,165 (March 31, 2020: 15,888,165) equity shares of ₹ 10/- each, fully paid up	1,589	1,589
	1,589	**1,589**

Footnotes:

(i) The Company has one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in the case of interim dividend.

(ii) Reconciliation of number of equity shares

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ (in Lakhs)	No. of shares	₹ (in Lakhs)
Balance at the beginning of the year	1,58,88,165	1,589	1,58,88,165	1,589
Add: Shares issue during the year	-	-	-	-
Balance at the end of the year	**1,58,88,165**	**1,589**	**1,58,88,165**	**1,589**

(iii) Rights, preferences and restriction attaching to shares

The Company has a single class of equity shares having a par value of ₹ 10/-each. Each holder is entitled to one vote per equity share Dividends are paid in Indian Rupees, The dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in case of the interim dividend.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(iv) Shares held by the Holding Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ (in Lakhs)	No. of shares	₹ (in Lakhs)
Taj Sats Air Catering Limited	1,58,88,165	100%	1,58,88,165	100%

13 Other Equity

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
General Reserve		
Balance at the beginning and end of the year	387	387
Retained Earnings		
Balance at the beginning of the year	3,065	2,844
Add: (Loss)/ Profit for the year	(719)	278
Add: Remeasurement of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	84	(8)
Less: Transition Impact on adoption of new standards - Ind AS 116 on 'Leases' (refer Note No. 29)	-	(49)
Closing balance at the end of the year	**2,430**	**3,065**
Total Other Equity	**2,817**	**3,452**

The Decription of the nature and purpose of each reserve with equity is as follows:

(a) General reserve: General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(b) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

14 Other financial liabilities

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
a)	**Other Non Current Financial Liabilities**		
	Deposits from others - Unsecured	2	7
		2	**7**
b)	**Other Current Financial Liabilities**		
	Employee related liabilities	93	152
	Levy payable to Airport Authority of India	14	83
		107	**235**

There is no amount due and outstanding to be credited to Investor Education and protection fund.

15 Provisions

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
a)	**Non Current Provision**		
	Employee Benefit Obligation		
	Gratuity (Refer note 27)	264	247
	Compensated absences	61	117
		325	**364**
b)	**Current Provision**		
	Employee Benefit Obligation		
	Compensated absences	6	22
	Provision for disputed claim	60	60
		66	**82**

16 Trade Payables

		As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
(i)	total outstanding dues of micro enterprises and small enterprises	12	74
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	505	482
		517	**556**

Footnotes:			
(i)	The amount due to Micro Enterprise and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been noted upon by the auditors.		
(ii)	The disclosures relating to Micro Enterprises and Small Enterprises are as under:		
	(a) The principal amount remaining unpaid to supplier as at year end	12	73
	(b) The interest due thereon remaining unpaid to supplier as at year end	-	1
	(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	52
	(d) The amount of interest due and payable for the year	-	-
	(e) The amount of interest accrued and remaining unpaid at the year end	1	1
	(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

iii) For related party balances refer Note No. 30

17 Other Current Liabilities

	As at March 31, 2021 ₹ (in Lakhs)	As at March 31, 2020 ₹ (in Lakhs)
#Statutory dues	8	32
	8	**32**

Includes Goods and Service Tax, Tax deducted at source, Provident Fund, Employees State Insurance Corporation, Profession Tax, etc.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

18 Revenue from operations

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Sale of Food and beverages	728	3,808
Revenue from Air Catering and Allied Services	383	1,170
Service Export India Scheme Income	-	8
Other operating revenue	1	16
	1,112	**5,002**

refer Note No. 28

19 Other Income

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Interest Income on:		
- Inter-corporate deposits*	0	-
- Deposits with banks	16	18
- Others	11	10
	27	**28**
Dividend Income from Current Investments	64	57
Profit on disposal of property, plant and equipment (net)*	0	0
Other Non Operating Income	1	24
	92	**109**

20 Food and Beverages Consumed

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Opening Stock	25	22
Add: Purchases	296	1,456
	321	**1,478**
Less: Closing Stock	15	25
Food and Beverages Consumed	**306**	**1,453**

21 Employee Benefit Expense and Payment to Contractors

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Salaries, wages, bonus etc.	726	1,073
Company's contribution to provident and other funds (Refer Note (i))	159	103
Reimbursement of expenses on personnel deputed to the Company	17	(3)
Payment to contractors	22	126
Staff welfare expenses	106	219
	1,030	**1,518**

(i) The Company has recognised the following amounts under the head "Company's Contribution to Provident Fund and Other Funds"

Particulars	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Provident fund:		
- To Regional provident fund (RPF)	20	23
Gratuity fund	100	34
Company's contribution to employee pension scheme	32	38
Employee deposit linked insurance	7	8
	159	**103**

22 Finance Cost

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Finance costs consist of the following:		
Interest on lease liabilities	5	6
	5	**6**

23 Other operating and general expenses

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
(i) Operating expenses consist of the following:		
Catering supplies	32	166
Other supplies	58	117
Fuel, power and light	161	426
Repairs to buildings	12	27
Repairs to machinery	15	74
Repairs to others	37	62
Linen and uniform washing and laundry expenses	9	39
Travel agents' commission	1	17
Other operating expenses	105	250
	430	**1,178**
(ii) General expenses consist of the following:		
Rates and taxes	62	36
Insurance	20	15
Advertising and publicity	-	1
Printing and stationery	10	28
Passage and travelling	2	15
Provision for doubtful debts	-	71
Doubtful advances written off	-	4
Professional fees	23	26
Payment made to statutory auditors (refer footnote (i))	18	18
Directors' fees and commission	-	1
Operating / management fees paid	-	38
Security Expenses	35	35
Short Term Cap Loss on Investment (MTM)-Unrealised	5	35
Other expenses	24	50
	199	**373**
	629	**1,551**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Footnotes:		
(i) Payment made to Statutory Auditors:		
As statutory auditors	9	9
As tax auditors	1	1
For Other Services	7	7
Reimbursement of out of pocket expenses	1	1
	18	**18**

24. Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has assessed the possible impact of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets.

The impact of COVID-19 may be different from that estimated as at the date of approval of these standalone statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company's business was affected during the year under review because of COVID-19 restrictions. While domestic airline carrier resumed their services by end of May 2020, international passengers also availed of services offered under "bubble" arrangements put in place by both Indian and International operators. However, normal inflight catering sales to international airlines operating out of India and which enjoy higher margins were adversely impacted and were significantly lower than revenues recorded in Pre COVID year.

The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year and with the resumption of hot meal services in the second half of the year and gradual opening up of the economy, revenues showed an uptick in comparison to the first half. The Company also intensified its efforts towards diversification of revenue streams and focussed attention on increasing the non-aviation segment with new brand launches and marketing arrangements. In the last Quarter of the year under review, the operating income had grown to 55% of the Pre-COVID level revenue for corresponding period.

While the Company faces challenges due to the 2nd phase of COVID and recent guidelines announced by DGCA for inflight catering on domestic flights, the management is keeping a close watch on evolving situation and taking all necessary steps to protect its business by engaging with its customers, employees and other important stakeholders. The Management believes that its ultimate shareholders i.e. The Indian Hotels Company Limited (IHCL) and SATS Ltd. will continue to support the Company.

25. Going Concern:

The Company faces challanges due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash-flow projections and has prepared a range of scenarios to estimate financing requirements. Subsequent to the reporting date, management has commenced the process to secure additional financing to fulfil its long-term/ working capital requirements. Based on the above, the standalone financial statements of the Company for the year ended March 31, 2021 have been prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

26. Contingent Liabilities:

The Company is involved in the following appellate, judicial and arbitration proceeding matters arising in the course of conduct of the Company's businesses. In few of the proceedings in respect of matters under litigation are in early stages, and in other cases, the claims are indeterminate.

	March 31, 2021 ₹ (in Lakhs)	March 31, 2020 ₹ (in Lakhs)
Income tax related matters	97	97
Sales tax related matters	74	74
VAT related matters	2,860	2,860
Other claims	20	20
Total	**3,051**	**3,051**

27. Employee Benefits

(a) The Company has recognised the following expenses as under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

	March 31, 2021 ₹ (in Lakhs)	March 31, 2020 ₹ (in Lakhs)
Provident Fund	52	61
Gratuity Fund	100	34
Employee Deposit Linked Insurance	7	8
Total	**159**	**103**

(b) The Company operates post retirement defined benefit plans as follows: -
Unfunded:

(i) Post retirement gratuity

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan asset should be invested in equity securities to leverage the return generated by the Fund.

Interest Risk: A decrease in the bond interest rate will increase the plan liability; however, this will partially be offset by an increase in the return on the plan's debt investments.

Longevity Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(ii) Amount to be recognized in Balance Sheet and movement in net liability

	Gratuity Funded ₹(in Lakhs)
Present Value of Funded Obligations	
March 31, 2021	283
March 31, 2020	270
Fair Value of Plan Assets	
March 31, 2021	19
March 31, 2020	23
Net (Asset) / Liability	
March 31, 2021	264
March 31, 2020	247

(c) Defined Benefit Plans – As per Actuarial Valuation:

(i) Expenses recognized in the Statement of Profit & Loss.

	Gratuity Funded ₹(in Lakhs)
Current Service Cost	
Year Ended March 31, 2021	21
Year Ended March 31, 2020	20
Interest Cost	
Year Ended March 31, 2021	16
Year Ended March 31, 2020	14
Past Service Cost	
March 31, 2021	63
March 31, 2020	-
Total Expense	
Year Ended March 31, 2021	100
Year Ended March 31, 2020	34

(ii) Reconciliation of Defined Benefit Obligation

	Gratuity Funded ₹(in Lakhs)
Opening Defined Benefit Obligation	
March 31, 2021	270
March 31, 2020	232
Current Service Cost	
March 31, 2021	21
March 31, 2020	20
Past Service Cost	
March 31, 2021	63
March 31, 2020	-
Interest Cost	
March 31, 2021	18
March 31, 2020	17
Actuarial loss / (gain)	
March 31, 2021	(84)
March 31, 2020	11
Benefits Paid	
March 31, 2021	(5)
March 31, 2020	(10)
Closing Defined Benefit Obligation	
March 31, 2021	283
March 31, 2020	270

(iii) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded ₹(in Lakhs)
Opening Fair Value of Plan Assets	
March 31, 2021	23
March 31, 2020	30
Interest on Plan Assets	
March 31, 2021	2
March 31, 2020	3
***Actual return on Plan Assets less Interest on Plan Assets**	
March 31, 2021	(1)
March 31, 2020	(0)
Benefits Paid	
March 31, 2021	(5)
March 31, 2020	(10)
Closing Fair Value of Plan Assets	
March 31, 2021	19
March 31, 2020	23

(iv) Description of Plan Assets (Managed by an Insurance Company)

Particulars	Gratuity Funded	
	March 31, 2021	March 31, 2020
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Equity	0%	0%
Insurer Managed Funds	100%	100%
Grand Total	**100%**	**100%**

(v) Actuarial Assumptions

Particulars	Gratuity Funded	
	March 31, 2021	March 31, 2020
Discount rate (p.a.)	6.80%	6.65%
Salary Escalation Rate (p.a.)	5.00%	8.00%
Employee Turnover	21-30 years -5% p.a.	21-30 years -5% p.a.
	31-59 years – 1% p.a.	31-59 years – 1% p.a.
Mortality table*		
Mortality in service	Table 1	Table 1
Mortality in retirement	Table 2	Table 2

*Table 1 – Indian Assured Lives mortality (2012-14) Ult table

Table 2 – UK published S1PA Mortality rate

(vi) Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Particulars	Year ended March 31, 2021	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	256	314
Impact of decrease in 50 bps on DBO	314	255

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(vii) Amount recorded in Other Comprehensive Income

Particulars	Year Ended March 31, 2021 ₹ (in Lakhs)	Year Ended March 31, 2020 ₹ (in Lakhs)
Remeasurements during the period due to		
Change in financial assumptions	(115)	21
Change in demographic assumptions	14	-
Experience adjustments	16	(10)
Experience adjustments on plan assets	1	0
Total	**(84)**	**11**

Foot note:

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors

Code on Social Security, 2020:

The Code on Social Security, 2020 ('the Code') relating to employee benefits received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020 and invited suggestions from the stakeholders. The date of implementation of the Code is yet to be notified by the Government and when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The Company will assess the impact of the Code and give effect in the financial results when the Code and Rules thereunder are notified.

28. Ind AS 115 'Revenue from contracts with customers'

Contract balances

The following disclosure provide information about receivables, contract assets and liabilities from contract with customers.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Receivable which are included in trade receivables	178	1084
Contract assets	-	-
Contract liabilities	-	-

The contract asset primarily relates to the company right to consideration for work completed but not billed at the reporting date.

The contract asset are transferred to receivable when the rights becomes unconditional. This usually occurs when the company issues invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customer for provision of products/ service for which revenue is recognized over a period of time.

Statement of reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Amount of contract price	1,183	5,124
Less: Reductions towards variable consideration components	71	122
Amount of revenue as per profit and loss statement	**1,112**	**5,002**

i) Revenue from operations

Revenue from contract with customers	Year ended March 31, 2021 ₹ (In lakhs)	Year ended March 31, 2020 ₹ (In lakhs)
(a) Sale of food and beverages	728	3,808
(b) Revenue from Air catering and Allied services	383	1,170
(c) Other Operating Income	1	24
Total Revenue from operations	**1,112**	**5,002**

(ii) Revenue based on products and services:

Revenue from contract with customers	March 31, 2021 ₹ (In lakhs)	March 31, 2020 ₹ (In lakhs)
Sale of food and beverages	728	3,808
Income from handling services	118	489
Income from hi-loader service	122	528
Income from laundry services	1	22
Income from bonded warehouse	60	91
Income from Miscellaneous services	83	64
Total Revenue	**1,112**	**5,002**

29. Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 retrospectively with the cumulative effect of being recognised on the date of initial application to the opening balance of retained earnings.

Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing rate using the prospective approach in respect of the new leases taken during year.

Interest on lease liabilities is ₹ 5 lakhs and ₹ 6 lakhs for the years ended March 31, 2021 and March 31, 2020 respectively.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Depreciation on Right of Use Asset is ₹ 40 Lakhs and ₹ 39 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.

The total cash outflow for leases is ₹ 15 lakhs and ₹ 16 lakhs for the years ended March 31, 2021 and March 31, 2020 respectively.

Lease contracts entered by the Company majorly pertains for buildings taken on lease conduct its business in the ordinary course.

30. Related Party Disclosures:

(a) The names of related parties of the Company are as under:

(i) Name of the Company

Particulars	Country of Incorporation
Taj SATS Air Catering Ltd	India

(ii) Key management Personnel

Particulars	Relation
Probal Dey	Unit Manager
Nithin Tom	Company Secretary

(iii) Common Director

Name of the Director	Company
Mr. Denis Marie	Taj SATS Air Catering Ltd

(iv) Remuneration paid to Key Management Personnel

Particulars	Year ended March 31, 2021 ₹ (In lakhs)	Year ended March 31, 2020 ₹ (In lakhs)
Probal Dey	16	20
Total	**16**	**20**

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole and long-term incentive.

(b) Statement of Material Transactions:

Name of the Company	The Indian Hotels Company Ltd.	Taj SATS Ltd.
*Sale of goods	3	0
	-	35
Purchase of services	9	3
	5	-
Deputed Staff cost	-	27
	-	35
*Sale of services	-	0
	-	10
Deputed staff reimbursement and recovery of expenses	-	12
	-	-
*Purchase of goods	-	0
	-	-
Management and operating fee expense	-	-
	-	38

Particulars	The Indian Hotels Company Ltd.	Taj SATS Ltd.
The details of amounts due to or from related parties as at March 31, 2021 and March 31, 2020 are as follows:		
Trade Payables		
March 31, 2021	11	4
March 31, 2020	-	50
***Trade Receivables**		
March 31, 2021	3	9
March 31, 2020	-	0
Deposits Receivable		
March 31, 2021	-	600
March 31, 2020	-	-
***Interest Receivable**		
March 31, 2021	-	0
March 31, 2020	-	-

31 Tax Disclosure

(a) Income tax recognised in Statement of Profit and Loss:

Particulars	Year ended March 31, 2021 ₹ (In lakhs)	Year ended March 31, 2020 ₹ (In lakhs)
Current tax expense		
For the year	-	163
In respect of earlier years#	(77)	-
	(77)	**163**
Deferred tax expense		
For the year	(165)	(84)
Adjustment to deferred tax attributable to changes in tax rates and laws*	-	-
In respect of earlier years	-	-
	(165)	**(84)**
Net Income tax expense recognised in the Statement of Profit and Loss	(242)	79
Income tax recognised in OCI		
Deferred tax expense	-	-
Deferred tax expense on measurements of defined benefit plans	-	3

#Tax in respect of earlier years is on account of reversal of tax expense on provision for doubtful debts created during the FY 2018-19 which was subsequently claimed as a deduction at the time of filing of income tax return.. However, there is no impact of the same in the statement of profit and loss for FY 2019-20, since such writeback for Provision of tax is offset by reversal of Deferred Tax Asset by an equivalent amount.

*The Company have elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company have recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax balances basis the rate prescribed in the said Section. The full impact of this change has been recognised in the statement of profit and loss account for the year ended March 31, 2020.

The Company has reviewed its income tax treatments in order to determine whether Appendix C of Ind AS 12 effective from April 1, 2019 could have an impact on the financial statements and concluded that it has no material impact on the Company's financial statements.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities.

After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

(b) The income tax expenses for the year reconciled to the accounting profit:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax from continuing operations:	(961)	357
Income tax expenses calculated at 25.168 %	(242)	90
Effect of one time provision for doubtful debt	77	-
Disallowance u/s 40a in 2019-20	(2)	
Effect of realised FVTPL gain	-	(15)
*Effect of non-deductible expenses	-	0
Tax expense for earlier years	-	5
Effect of change in tax rates	-	23
Others	2	(23)
	(165)	**80**
Tax relating to previous year	-	-
Net Income tax expense recognised in the Statement of Profit and Loss	**(165)**	**80**

(i). Analysis of deferred tax assets/liabilities presented in the balance sheet

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

Particulars	Opening balance as at April 1, 2020	Recognised in profit or loss	Closing balance as at March 31, 2021
Property, plant and equipment and intangible assets.	(41)	9	(32)
Provision for employee benefits	124	(8)	116
Provision for doubtful debts	137	(77)	60
Lease Liabilities	(41)	7	(34)
Others	27	232	259
MTM Gain	23	2	25
Net Deferred Tax Asset	**229**	**165**	**394**

(ii) Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

Particulars	Opening balance as at April 1, 2019	Recognised in profit or loss	Closing balance as at March 31, 2020
Property, plant and equipment and intangible assets.	(60)	19	(41)
Provision for employee benefits.	122	2	124
Provision for doubtful debts.	132	5	137
Transition Impact on adoption of new standards - Ind AS 116		(41)	(41)
Others		27	27
MTM Gain	-	23	23
Net Deferred Tax Asset	**194**	**35**	**229**

Tax losses carried forward	Year ended March 31, 2021	Year ended March 31, 2020
Deductable temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following		
- Carry Forward tax Losses from Business and Profession	(850)	-
(i) Deferment of installation revenue	-	-
(ii) Provision for Doubtful Debts / Advances and Investments	-	545
(iii) Others	-	-

The Company has recognised deferred tax asset of ₹ 185 Lakhs on current year business loss of ₹ 735 Lakh and ₹ 29 lakh on unabsorbed depreciation of ₹ 115 lakh. Deferred tax asset created on account of business loss is recognised considering that probable taxable profit will be available in subsequent periods, within the statutory time limit for carry forward of business losses, against which the deductible temporary difference created on account of business loss in current year can be utilised. The Company has made the assessment based on the internal budgets and profit forecasts prepared by the management, after duly considering the potential impact of Covid-19 in the future business of the company. Deferred tax asset created on account of unabsorbed depreciation can be carried forward and there is no statutory time limit to offset the same.

32. Segment Information:

The Company is engaged in the business of airline and allied catering only. These, in the context of Indian Accounting Standard 108 (Ind AS 108) on segment reporting are considered to constitute single operating segment. The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

As the Company is engaged in a single operating segment, segment information is tabulated below:

Revenue from major products and services.

The following is an analysis of the Company's revenue from operations from its major products and services.

Particulars	Year ended March 31, 2021 ₹ (in Lakhs)	Year ended March 31, 2020 ₹ (in Lakhs)
Sale of food and beverages	728	3,808
Handling services	118	489
Hi-Lift services	122	528
Total	**968**	**4,825**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Information about major customers

Included in revenue arising from operations of ₹ 1,112 Lakhs (2019-20: ₹5,002 Lakhs) (see note 20) are revenues of approximately ₹567 Lakhs (2019-20:₹2541 Lakhs) which arose from sales to Company's two largest customers that contributes greater than 10% of the revenues during the year. No other single customers contributed 10% or more to the Company's revenue for the year ended March 31, 2021 and March 31, 2020.

33. Earnings per Share (EPS):

Earnings Per Share is calculated in accordance with Indian Accounting Standard 33 – 'Earnings Per Share'

Particulars	March 31, 2021	March 31, 2020
Profit / Loss after Tax	(719)	278
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS	1,58,88,165	1,58,88,165
Considered in calculation of Diluted EPS	1,58,88,165	1,58,88,165
Face Value per Ordinary Share (₹)	10	10
Earnings Per Share (₹):	(4.53)	1.75

34 Financial Instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories is as follows

Fair Value Measurement:

March 31, 2021	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	119	119
Bank balance other than cash and cash equivalents	-	268	268
Investments	1,811	-	1,811
Loans	627	-	627
Trade Receivables	-	178	178
Other financial assets*	-	472	472
Total	**2,438**	**1,037**	**3,475**
Financial liabilities:			
Lease Liabilities	-	64	64
Trade Payables	-	517	517
Other financial liabilities	-	109	109
Total	**-**	**690**	**690**

March 31, 2020	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	193	193
Other balance with banks	-	266	266
Investments	2,453	-	2,453
Trade Receivable	-	1,084	1,084
Other financial assets*	-	477	477
Total	**2,453**	**2,020**	**4,473**
Financial liabilities:			
Lease Liabilities	-	74	74
Trade Payables	-	557	557
Other financial liabilities	-	242	242
Total	**-**	**873**	**873**

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes mutual funds that have quoted price/ declared NAV.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ (in Lakhs)

As of March 31, 2021:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	1,811	-	-	1,811
Total	**1,811**	**-**	**-**	**1,811**

₹ (in Lakhs)

As of March 31, 2020:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	2,453	-	-	2,453
Total	**2,453**	**-**	**-**	**2,453**

i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(b) Financial risk management:

The Company has exposure to the following risk arising from financial instruments:

i Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

a. Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. However, Company does not have any exposure in foreign currency and hence it is not exposed to foreign currency exchange rate risk.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

b. **Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company does not have any long term borrowings at variable interest rates and hence is not exposed to interest rate risk.

c. **Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

(c) Capital Management:

The Company's objective for capital management is to maximise shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and borrowings – long-term and short-term.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹726/- Lakhs and ₹1690/- Lakhs as of March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits, loans and other financial assets. None of the other financial instruments of the Group result in material concentration of credit risk

Particulars	As at March 31, 2021	As at March 31, 2020
Customer count	1	3
Amount receivable	726	1,690

There is no other customer single customer contributing to more than 10% of the accounts receivable and unbilled revenue.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities as at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2021	Carrying Amount	Total	Less than 1 Year	1-2 Year	More than 2 Year
Lease liability	64	64	10	12	42
Trade payable	517	517	503	-	-
Other financial liabilities	107	107	33	-	-

As at March 31, 2020	Carrying Amount	Total	Less than 1 Year	1-2 Year	More than 2 Year
Lease liability	74	74	16	16	43
Trade payable	482	482	482	-	-
Other financial liabilities	90	90	90	-	-

35. Previous year comparatives

Previous year comparatives have been regrouped as below

(₹ in lakhs)

S. no	Particular	Amount	Regrouped From	Regrouped to
1	Security deposit with public bodies and others	285	Other Non Current Asset - Disputed taxes/ duties remitted under protest	Other Non Current Financial Asset - Security deposit with public bodies and others
2	Advances to employees	6	Other Current Financial Asset - Advances to employees	Other Current Asset - Advances to employees
3	Employee Benefits Payable	6	Other Current Liabilities - Employee Benefit payable	Other Current Financial Liabilities - Employee Benefit payable
4	Deposits from Others	7	Other Current Financial Liabilities - Deposit from Others	Other Non Current Financial Liabilities - Deposit from Others
5	Provision for Disputed Claims	10	Other Tax Asset (Net) - Provision for Disputed Claims	Current Provision - Provision for Disputed Claims
6	Other Employee Benefits	146	Current Provision - Other Employee Benefits	Other Financial Liabilities - Other Employee Benefits
7	Payment to Contractors	107	Other expenses - payment to contractors	Employee Benefit expenses - payment to contractors

36. Inter corporate Deposit

Disclosure under section 186(4) of the Companies Act 2013 for Inter corporate Deposit movement during the year

S. no	Nature of Transaction	Rate of Interest Per annum	Opening	Movment during the year		Closing March 31, 2021	Maximum amount O/s at any time during the year
			March 31, 2020	Addition during the year	Deletion during the year		
1	Inter Corporate Deposit to Taj SATS Air Catering Limited	9%	-	600	-	600	600

The Loan payable to above company is repayable on expiry of 90 days period.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

37. Amlagamation

On July 22, 2020, the Board of Directors have approved merger of the Company with Taj SATS Air Catering Limited (the holding company). The merger scheme was filed on November 16, 2020 in National Company Law Tribunal (NCLT), Mumbai and on November 10, 2020 in National Company Law Tribunal (NCLT), Chennai. Pending approval from NCLT, the effect of merger is not given in the financial statements.

38. Other Information

Information with regard to other matters, as per Schedule III to the Act is either Nil or not appliacable to the company for the year.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
April 20, 2021

For and on behalf of the Board of Directors
Taj Madras Flight Kitchen Private Limited
CIN: U55204MH2001PLC133177

Mohammed Saleem Yousuff
Chairman and Director
DIN: 07246763
Place: Chennai

Sudeep Pal
Director/CFO
DIN: 02937626
Place: Mumbai

Nithin Tom
Company Secretary
Membership No. A53056
Place: Chennai

Independent Auditor's Report

To
The Members of **TAJ ENTERPRISES LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements (Ind AS Financial Statements) of **Taj Enterprises Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021 and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its losses and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

We draw attention to Note 2(e) - (vii) to the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (Contd.)

Management's Responsibility for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor’s Report (Contd.)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the rules issued there under.

    e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

    g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

       In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year hence the provision of the section 197 of the Act are not applicable.

Independent Auditor’s Report (Contd.)

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact on its financial position.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Brahmayya & Co.**
Chartered Accountants
Firm’s Regn No: 000511S

R. Nagendra Prasad
Partner
Membership No. 203377
UDIN: 21203377AAAADM3983

Place: Chennai
Date: April 22, 2021

Annexure 'A' to the Independent Auditor's Report

The Annexure A, referred to in Clause 1 (f) of "Report on Other Legal and Regulatory Requirements" Paragraph of the Independent Auditor's Report of even date to the members of Taj Enterprises Limited on the Ind AS financial statements as of and for the year ended March 31, 2021.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Taj Enterprises Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are 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

Annexure 'A' to the Independent Auditor's Report (Contd.)

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Brahmayya & Co.**
Chartered Accountants
Firm's Regn No: 000511S

R. Nagendra Prasad
Partner
Membership No. 203377
UDIN: 21203377AAAADM3983

Place: Chennai
Date: April 22, 2021

Annexure 'B' to the Independent Auditor's Report

The "Annexure B" Referred to in Clause 2 of "Report on Other Legal and Regulatory Requirements" Paragraph of the Independent Auditor's Report of even date to the members of Taj Enterprises Limited on the Ind AS financial statements as of and for the year ended March 31, 2021.

i. (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management reasonable intervals. According to the information and explanation given to us by the management, no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The management has conducted physical verification of inventories at reasonable intervals during the year and there was no material discrepancies found.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii), (iii) (a), (iii) (b) and (iii) (c) of the paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanation given to us, company has not provided any loans, investments, guarantees, and security to any party covered in section 185 and 186 of the Companies Act, 2013. Therefore, the provision of clause (iv) of the paragraph 3 of the order is not applicable to the Company.

v. The Company has not accepted any deposits from the public.

vi. The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

vii. (a) The company is regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income tax, duty of customs, goods and service tax, cess, and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, employee's state insurance, income tax, duty of customs, goods and service tax, cess, and other statutory dues with the appropriate authorities which were outstanding on the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or goods and service tax or duty of customs which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not availed of any loans from financial institutions or banks or government and has not issued debentures.

ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, therefore, the provision of clause (ix) of the paragraph 3 of the Order is not applicable to the Company.

Annexure 'B' to the Independent Auditor's Report (Contd.)

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the records of the Company examined by us and based on our examination of the records of the Company, the managerial remuneration has not been paid or provided, hence the provisions of section of 197 read with schedule V to companies Act is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, provision of clause (xii) of the paragraph 3 of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties, are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provision of clause (xv) of the paragraph 3 of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, therefore, the provision of clause (xvi) of paragraph 3 of the order is not applicable.

For **Brahmayya & Co.**
Chartered Accountants
Firm's Regn No: 000511S

R. Nagendra Prasad
Partner
Membership No. 203377
UDIN: 21203377AAAADM3983

Place: Chennai
Date: April 22, 2021

Balance Sheet as at March 31, 2021

(Amount in Rupees)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	262.74	297.47
Intangible assets	4	0.88	1.06
Non-current financial assets			
Investments	5	7.20	7.20
Loans	6	-	-
Deferred tax assets (net)	7	51.75	6.50
Advance income tax (net)		32.17	11.41
Other non-current assets	8 (a)	0.20	0.20
		354.94	**323.84**
Current assets			
Inventories	9	5.07	6.91
Financial assets			
Trade receivables	10	4.16	55.51
Cash and cash equivalents	11	143.04	243.33
Other Balances with Banks	12	200.00	200.00
Other financial assets	13	4.64	56.24
Other current assets	8 (b)	25.59	61.24
		382.50	**623.22**
		382.50	**623.22**
Total		**737.44**	**947.07**
Equity and Liabilities			
Equity			
Equity share capital	14	50.00	50.00
Other equity	15	517.13	675.75
Total Equity		**567.13**	**725.75**
Liabilities			
Non-current liabilities			
Provisions	16 (a)	47.91	59.65
		47.91	**59.65**
Current liabilities			
Financial liabilities			
Trade payables	17	-	-
- Micro and Small Enterprises		0.94	0.24
- Others		59.70	81.68
Other financial liabilities	18	34.91	33.50
Provisions	16 (b)	4.11	4.69
Other current liabilities	19	22.74	41.55
		122.40	**161.67**
Total		**737.44**	**947.07**

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 37).

As per our report of even date as attached

For Brahmayya & Co.
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Chennai, April 22, 2021

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Satyajeet Krishnan
Director
DIN: 07491453

New Delhi, April 22, 2021

Statement of Profit and Loss for the year ended March 31, 2021

(Amount in Rupees)

Particulars	Note	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Income			
Revenue from operations	20	292.57	962.57
Other income	21	17.43	19.94
Total		**310.00**	**982.51**
Expenses			
Food and beverages consumed	22	105.81	233.12
Employee benefit expenses and payment to contractors	23	219.01	170.49
Depreciation and amortisation expenses	3&4	39.10	16.57
Other operating and general expenses	24	151.08	150.08
Total		**515.00**	**570.26**
Profit/(Loss) before exceptional items and tax		**(205.00)**	**412.25**
Exceptional items		-	-
Profit/(Loss) before tax		**(205.00)**	**412.25**
Tax expense			
Current tax		-	110.31
Deferred tax		(45.53)	(6.61)
Total		**(45.53)**	**103.70**
Profit (Loss) after tax		**(159.47)**	**308.54**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		1.13	0.43
Add/ (Less):- income tax credit/ (expense)		(0.28)	(0.11)
Other comprehensive income for the year, net of tax		**0.85**	**0.32**
Total comprehensive income for the year		(158.62)	308.87
Earnings per share:	29		
Basic and Diluted - (₹)		(318.95)	617.09
Face value per equity share - (₹)		100.00	100.00

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 37).

As per our report of even date as attached

For Brahmayya & Co.
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Chennai, April 22, 2021

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Satyajeet Krishnan
Director
DIN: 07491453

New Delhi, April 22, 2021

Statement of Changes in Equity for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	a) Equity Share Capital	b) Other Equity			
	Total equity attributable to equity share share holders of the Company	Reserves and surplus		Other Equity	Total Equity
		General Reserve	Retained Earnings		
Balance as at April 1, 2019	**50.00**		**366.88**	**366.88**	**416.88**
Profit for the year ended March 31, 2020	-	-	308.54	308.54	308.54
Other Comprehensive Income for the year ended March 31, 2020, net of taxes	-	-	0.32	0.32	0.32
Total Comprehensive Income for the year ended March 31, 2020	**-**	**-**	**308.87**	**308.87**	**308.87**
Balance as at March 31, 2020	**50.00**	**-**	**675.75**	**675.75**	**725.72**
Profit/(Loss) for the year ended March 31, 2021	-	-	(159.47)	(159.47)	(159.47)
Other Comprehensive Income for the year ended March 31, 2021, net of taxes	-	-	0.85	0.85	0.85
Total Comprehensive Income for the year ended March 31, 2021	**-**	**-**	**(158.62)**	**(158.63)**	**(158.63)**
Balance as at March 31, 2021	**50.00**	**-**	**517.13**	**517.12**	**567.09**

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 37).

As per our report of even date as attached

For Brahmayya & Co.
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Chennai, April 22, 2021

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Satyajeet Krishnan
Director
DIN: 07491453

New Delhi, April 22, 2021

Statement of Cash Flows for the year ended March 31, 2021

(₹ in Lakhs)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash Flow From Operating Activities		
Profit/(Loss) before tax	(205.02)	412.25
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation expenses	39.10	16.57
Interest income	(12.28)	(19.89)
Provision for Employee Benefits	1.13	0.43
	27.95	**(2.89)**
Cash Operating Profit before working capital changes	(177.07)	409.36
Adjustments for (increase)/ decrease in operating assets:		
Inventories	1.84	(6.91)
Trade receivables	51.35	(55.51)
Other financial assets	50.64	(53.52)
Other current assets	35.64	(61.12)
Other non-current fiancial assets	0.72	(0.85)
Other non-current assets	-	(0.20)
	140.19	**(178.12)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	(16.64)	80.32
Other financial liabilities	(18.81)	41.50
Short term provisions	(0.58)	4.69
Long-term Provisions	(11.74)	59.65
Other liabilities	10.10	19.76
	(37.67)	**205.93**
Cash Generated from Operating Activities	(74.57)	437.17
Income taxes paid	(20.75)	(121.12)
Net Cash Generated From Operating Activities (A)	**(95.32)**	**316.05**
Cash Flow From Investing Activities		
Payments for purchase of property, plant and equipment	(17.49)	(284.22)
Interest received	12.52	23.46
Bank Balances not considered as Cash and cash equivalents	-	187.58
Net Cash Generated/(Used) In Investing Activities (B)	**(4.97)**	**(73.18)**
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	(100.29)	242.87
Cash and Cash Equivalents - Opening	243.33	0.46
Cash and Cash Equivalents - Closing	143.04	243.33

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 37).

As per our report of even date as attached

For Brahmayya & Co.
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Chennai, April 22, 2021

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Satyajeet Krishnan
Director
DIN: 07491453

New Delhi, April 22, 2021

Note 1 : Corporate Information

Taj Enterprises Limited ("TEL" or the "Company") is domiciled and incorporated in India in 1979 and has its registered office at Taj Palace Hotel, S.P. Marg, New Delhi 110021, India. It is a subsidiary of Indian Hotels Company Limited, a company promoted by Tata Sons Private Limited.

The company has started operation from October 2019 and is primarily engaged in the banquet business. The financial statements were approved by the Board of Directors and authorised for issue on April 22, 2021.

Note 2 : Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements

The financial statements have been prepared on the following basis:

(a) Statement of compliance:

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") issued under section 133 of the Companies Act, 2013 and notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Recent Accounting Pronouncements:

New amended standards and interpretation

i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'

ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.

iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.

iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.

v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(c) Standards issued but not yet effective:

None of the amendments has any material impact on the financial statements for the current year.

(d) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(e) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

i. **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

ii. **Impairment testing:** Property, plant and equipment and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii. **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

v. **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss.

a. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss.

vi. **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

vii. **Estimation uncertainty relating to the global health pandemic on COVID-19:**

a. On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple ‘lock-downs’ across the country, from March 22, 2020, and extended up to June 30, 2020

b. The business has been severely impacted during the year on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of restrictions, business has gradually improved. During the second half of the year, the Company witnessed some signs of recovery of business. Whilst there has been a second wave of the COVID-19 pandemic in the last month, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation.

c. The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of Covid-19 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.

d. The Company has adequate funds at its disposal and the Management is confident of securing additional financing, if required, for the next 12 months to enable the Company to meet its obligations as and when they fall due. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

viii. **Code on Social Security, 2020**

a. The Indian Parliament has approved the Code on Social Security, 2020. This has also received the consent of the Hon’ble President of India. The Code when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The effective date(s) of implementation of this Code is yet to be notified and the rules for quantifying the financial impact are yet to be framed. In view of this, any impact due to the change will be assessed and accounted for in the period of notification of the relevant provisions.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Significant accounting policies

(f) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns & discounts.

Income from operations

Income from Banquets Operations: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue from banquet services are recognised once banquet services have been provided as per the contract with the customer.

Contract balances

a) **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) **Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

(g) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up by the respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. Gratuity Fund

The Gratuity liability is defined benefit obligations, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

iv. Short Term Obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

(h) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives of the depreciable assets are as follows

Class of Assets	Estimated Useful Life
Buildings	30 to 60 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Furniture & Fixtures	08 years
End User devices – Computers, Laptops etc.	06 years
Other Miscellaneous Hotel Assets	04 years

In respect of buildings on leasehold land, depreciation is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to leasehold buildings are depreciated on the basis of their estimated useful lives or the expected lease period.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Proportionate depreciation is charged for the addition and disposal made during the year.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(i) Intangible Assets

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Intangible assets with finite lives are amortised over their estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising intangible assets is as under:

Class of Assets	Estimated Useful Life
Software and Licences	6 years

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(j) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment periodically including whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(k) Foreign Currency Translation

The functional currency of the Company is Indian Rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

(l) Lease

On inception of a contract, the company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the company statement of financial position as a right-of-use asset and a lease liability.

Lease contracts may contain both lease & non-lease components. The company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components. The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including ‘in-substance fixed’ payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. ‘In-substance fixed’ payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the company is reasonably certain to exercise and excludes the effect of early termination options where the company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the ‘in-substance fixed’ lease payments or as a result of a rent review or change in the relevant index or rate.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The company has opted not to apply the lease accounting model to leases of low value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

(m) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(n) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax assets is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(o) Provisions

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

(p) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

(q) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(r) Earnings per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(s) Financial Instruments

(I) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- **Cash and Cash Equivalents –** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

- **Debt Instruments -** The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  (i) Financial assets at amortised cost
  Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

  (ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)
  Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

  (iii) Financial assets at fair value through profit or loss (FVTPL)
  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments -** The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(II) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(III) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

(t) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

(u) Business combinations

Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

(₹ in Lakhs)

	Freehold Land	Buildings (Refer Footnote (i))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2019	**16.92**	**1.29**	**-**	**-**	**-**	**-**	**18.21**
Additions		37.29	242.76	8.45	7.88	-	296.39
Disposals							-
At March 31, 2020	**16.92**	**38.58**	**242.76**	**8.45**	**7.88**	**-**	**314.60**
Additions	-	-	1.91	2.28	-	-	4.19
Disposals							-
At March 31, 2021	**16.92**	**38.58**	**244.67**	**10.73**	**7.88**	**-**	**318.79**
Depreciation							
At April 1, 2019	**-**	**0.64**	**-**	**-**	**-**	**-**	**0.64**
Charge for the year	-	0.23	15.28	0.41	0.58	-	16.49
Disposals							-
At March 31, 2020	**-**	**0.87**	**15.28**	**0.41**	**0.58**	**-**	**17.13**
Charge for the year	-	1.26	35.38	1.04	1.25	-	38.92
Disposals							-
At March 31, 2021	**-**	**2.11**	**50.66**	**1.45**	**1.83**	**-**	**56.05**
Net Block							
At March 31, 2020	**16.92**	**37.72**	**227.48**	**8.04**	**7.30**	**-**	**297.47**
At March 31, 2021	**16.92**	**36.47**	**194.01**	**9.29**	**6.05**	**-**	**262.74**

Footnotes:

(i) Cost includes improvements to buildings constructed on leasehold land - ₹ 37.29 Lakhs (Previous year - ₹ 37.29 Lakhs).

Note 4 : Intangible Assets

(₹ in Lakhs)

Particulars	Website Development Cost	Software	Service and Operating Rights	Total
Cost				
At April 1, 2019	**-**	**-**	**-**	**-**
Additions	-	1.14	-	1.14
Disposals	-	-	-	-
At March 31, 2020	**-**	**1.14**	**-**	**1.14**
Additions	-	(0.00)	-	(0.00)
Disposals				-
At March 31, 2021	**-**	**1.14**	**-**	**1.14**
Amortisation				
At April 1, 2019				**-**
Charge for the year	-	0.08	-	0.08
Disposals				-
At March 31, 2020	**-**	**0.08**	**-**	**0.08**
Charge for the year	-	0.18	-	0.18
Disposals				-
At March 31, 2021	**-**	**0.26**	**-**	**0.26**
Net Block				
At March 31, 2020	**-**	**1.06**	**-**	**1.06**
At March 31, 2021	**-**	**0.88**	**-**	**0.88**

Note 5 : Investments

Particulars	Face Value	As at March 31, 2021		As at March 31, 2020	
		Holdings As at	₹ Lakhs	Holdings As at	₹ Lakhs
Non Current Investments					
Fully Paid Unquoted Equity Investments					
Investments in Fellow Subsidiary Company (at cost)					
Inditravel Limited	10	72,000	7.20	72,000	7.20
			7.20		**7.20**

Note 6 : Loans

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties	-	-
	-	**-**
Other loans and advances		
Considered good	-	-
Credit impaired	10.00	10.00
	10.00	**10.00**
Less: Allowance for credit impaired	10.00	10.00

Note 7 : Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets:		
Provision for Employee Benefits	6.04	6.38
Unused tax losses (Business)	48.78	-
Others	0.26	1.50
	55.08	**7.88**
Deferred Tax Liabilities:		
Property, plant and equipment & Intangible assets	3.05	1.27
Actuarial Gain on Post Retirement Benefit	0.28	0.11
	3.33	**1.38**
	51.75	**6.50**

Note 8 : Other Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Other Non Current Assets		
Deposits with Government Authoritites	0.20	0.20
	0.20	**0.20**
(b) Other Current Assets		
Prepaid Expenses	1.29	2.06
Indirect tax recoverable	23.92	58.81
Advance to Suppliers	0.35	0.20
Advance to Employees	0.03	0.17
	25.59	**61.24**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 9 : Inventories (At lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Food and Beverages	4.83	6.01
Stores and Operating Supplies	0.24	0.90
	5.07	**6.91**

Note 10 : Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Outstanding over six months	-	-
Others		
Considered good	4.16	55.51
Balances having significant increase in credit risk	-	-
Credit impaired	-	-
	4.16	**55.51**
Less: Allowance for credit impaired	-	-
	4.16	**55.51**

(i) For related party balances refer Note 32.

Note 11 : Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.60	0.15
Cheques, Drafts on hands, Funds in transit	-	-
Balances with bank in current account	57.44	243.19
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	85.00	-
	143.04	**243.33**

Note 12 : Other Balances with Banks

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Call and Short-term deposit accounts	200.00	200.00
	200.00	**200.00**
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current Financial Asset	-	-
	200.00	**200.00**

Note 13 : Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(b) Current Financial Assets		
Deposit with public bodies and others		
Related Parties (Refer Note No 32)	-	-
Others	2.33	1.05
	2.33	**1.05**
Interest receivable		
Related Parties	-	-
Others	1.42	1.66
	1.42	**1.66**
Other receivables		
Related Parties (Refer Note No 32)	0.67	8.68
Others	0.22	44.85
	0.89	**53.52**
	4.64	**56.24**

Note 14 : Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
1,00,000 Equity Shares of ₹ 100 each	100.00	100.00
	100.00	**100.00**
Issued Share Capital		
50,000 (Previous Years 50,000) Equity Shares of ₹ 100 each	50.00	50.00
	50.00	**50.00**
Subscribed and Paid Up		
50,000 (Previous Years 50,000) Equity Shares of ₹ 100 each, Fully Paid	50.00	50.00
(Refer Footnote (v))	**50.00**	**50.00**

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
As at the beginning of the year	50,000	50.00	50,000	50.00
Add: Shares issued on Rights basis	-	-	-	-
As at the end of the year	**50,000**	**50.00**	**50,000**	**50.00**

(iii) Shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%	No. of shares	%
Equity shares of ₹ 100 each fully paid				
The Indian Hotels Company Limited	46,698	93.40%	46,596	93.19%
Mr. Jagat Singh	3,000	6.00%	3,000	6.00%
Others*	302	0.60%	404	0.81%
	50,000	**100.00%**	**50,000**	**100.00%**

* Less than 5%

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 15 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Reserves & Surplus		
Retained Earnings		
Opening Balance	675.75	366.88
Add: Current year profits (loss)	(159.47)	308.54
Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	0.85	0.32
Closing Balance	**517.13**	**675.75**
	517.13	**675.75**

Note 16 : Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Non Current provisions		
Employee Benefit Obligation		
Compensated absences	10.80	14.28
Gratuity (Refer Note No 27)	37.11	45.37
	47.91	**59.65**
(b) Current provisions		
Employee Benefit Obligation		
Compensated absences	1.44	1.85
Gratuity (Refer Note No 27)	2.67	2.84
	4.11	**4.69**

Note 17: Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Micro and Small Enterprises (Refer Footnote (i) and (ii))	0.94	0.24
Others:		
Vendor Payables	53.91	74.48
Accrued expenses and others	5.79	7.20
	59.70	**81.68**
	60.64	**81.92**

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	0.94	0.24
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

(iii) For related party balances refer Note 32

Note 18 : Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Current Financial Liabilities		
Creditors for capital expenditure	4.63	13.31
Employee related liabilities	28.88	15.69
Others	1.40	4.50
	34.91	**33.50**

Note 19 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances collected from customers (Refer Footnote)	18.58	22.06
Statutory dues	4.16	19.49
	22.74	**41.55**

Footnote:

For detailed disclosure relating to Ind AS 115 - Revenue from Contracts with Customers refer Note 33.

Note 20 : Revenue from Operations

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Food and Banquet Income	292.57	962.57
	292.57	**962.57**

Note 21 : Other Income

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Income from financial assets at amortised cost		
Deposits with banks	12.28	19.89
Total	**12.28**	**19.89**
Miscellaneous non-operating income	5.15	0.05
	17.43	**19.94**

Note 22 : Food and Beverages Consumed

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Food and Beverages Consumed	105.81	233.12
	105.81	**233.12**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 23 : Employee Benefit Expenses and Payment to Contractors

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Salaries, Wages, Bonus etc.	173.30	117.18
Company's Contribution to Provident and Other Funds (Refer Note 27)	18.12	8.61
Reimbursement of Expenses on Personnel Deputed to the Company	5.79	4.50
Payment to Contractors	7.20	13.64
Staff Welfare Expenses	14.60	26.57
	219.01	**170.49**

Note 24 : Other operating and general expenses

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Operating expenses consist of the following:		
Linen and Room Supplies	4.88	5.35
Catering Supplies	15.39	36.95
Other Supplies	0.08	0.22
Fuel, Power and Light (net)	30.50	20.17
Repairs to Buildings	0.57	0.45
Repairs to Machinery	11.19	6.59
Repairs to Others	1.05	1.16
Linen and Uniform Washing and Laundry Expenses	0.98	4.12
Security charges and Others	8.78	8.94
Food Transportation	6.98	6.70
Agents' Commission	8.36	-
Discount to Collecting Agents	0.50	4.23
Other Operating Expenses	0.08	3.21
	89.34	**98.09**
(ii) General expenses consist of the following:		
Rent	44.97	25.06
Rates and Taxes	0.77	2.76
Insurance	8.53	0.86
Advertising and Publicity	-	0.24
Printing and Stationery	0.80	1.30
Passage and Travelling	0.10	1.15
Professional Fees	1.65	13.09
Outsourced Support Services	1.64	0.91
Payment made to Statutory Auditors (Refer Footnote (i))	1.50	2.40
Other Expenses	1.78	4.22
	61.74	**52.00**
	151.08	**150.08**

(i) Payment made to Statutory Auditors:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
As auditors	1.50	1.50
As tax auditors	-	0.50
For other services	-	0.40
For out-of pocket expenses	-	-
	1.50	**2.40**

Note 25 : Contingent Liabilities (to the extent not provided for):

(a) On account of matters in dispute:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc., which are in dispute, are as under:

₹ Nil Lakhs (PY - Nil ₹ Lakhs)

(b) Others:

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

Note 26 : Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated number of contracts remaining to be executed on capital account and not provided for		
Tangible assets	0.35	-
Intangible assets	-	-
Total	**0.35**	-

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 27 : Employee Benefits:

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries):

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contribution to Provident Fund and Other Funds	10.99	5.28
Total	**10.99**	**5.28**

(b) The Company operates post retirement defined benefit plans as follows:-

a. Un-Funded:

i. Post Retirement Gratuity

(c) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2021:-

(i) Amount to be recognised in Balance Sheet and movement in net liability

(₹ in Lakhs)

Particulars	Gratuity Un-Funded	
	March 31, 2021	March 31, 2020
Present Value of Funded Obligations	-	-
Present Value of Unfunded Obligations	39.78	48.21
Fair Value of Plan Assets	-	-
Net (Asset) / Liability	**39.78**	**48.21**

(ii) Expenses recognised in the Statement of Profit & Loss

(₹ in Lakhs)

Particulars	Gratuity Un-Funded	
	March 31, 2021	March 31, 2020
Current Service Cost	4.19	1.79
Past service Cost	-	-
Interest Cost	3.11	1.53
Expected return on Plan Assets	-	-
Effect of the limit on Plan Asset	-	-
Total	**7.30**	**3.32**

(iii) Expenses recognised in Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	Gratuity Un-Funded	
	March 31, 2021	March 31, 2020
Changes in financial assumptions	(0.50)	-
Changes in demographic assumptions	-	-
Experience adjustments	(0.63)	(0.43)
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Total	**(1.13)**	**(0.43)**

(iv) Reconciliation of Net Liability/ Asset

(₹ in Lakhs)

Particulars	Gratuity Un-Funded	
	March 31, 2021	March 31, 2020
Opening Net Benefit Liability	48.21	-
Expense charged to profit and loss	7.31	3.32
Amount recognized outside profit and loss	(1.13)	(0.43)
Employer Contribution	(14.61)	-
Impact of liability assumed (settled)	-	45.32
Closing Net Defined Benefit Liability/ (Asset) - Current	**39.78**	**48.21**

(v) Reconciliation of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	Gratuity Un-Funded	
	March 31, 2021	March 31, 2020
Opening Defined Benefit Obligation	48.21	-
Current Service Cost	4.19	1.79
Past Service Cost	-	-
Interest Cost	3.11	1.53
Changes in financial assumptions	(0.50)	-
Changes in demographic assumptions	-	-
Experience adjustments	(0.63)	(0.43)
Benefits Paid	(14.61)	-
Liability assumed (settled)	-	45.32
Closing Defined Benefit Obligation	**39.77**	**48.21**

(vi) Reconciliation of Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	Gratuity Un-Funded	
	March 31, 2021	March 31, 2020
Opening Fair Value of Plan Assets	-	-
Interest on Plan Assets	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	-	-
Contribution by Employer	-	-
Benefits Paid	-	-
Closing Fair Value of Plan Assets	-	-
Expected Employer's contribution/ outflow next year		

(vii) Actuarial Assumptions

(₹ in Lakhs)

Particulars	Gratuity Un-Funded	
	March 31, 2021	March 31, 2020
Discount rate (p.a.)	6.80%	6.65%
Salary Escalation Rate (p.a.)	Staff - 5%, Executive - 4%	Staff - 5%, Executive - 4%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(viii) Maturity Profile

(₹ in Lakhs)

Maturity Profile	Amount in INR Lakhs
Expected benefits for year 1	2.67
Expected benefits for year 2	2.64
Expected benefits for year 3	2.36
Expected benefits for year 4	2.16
Expected benefits for year 5	2.01
Expected benefits for year 6	17.49
Expected benefits for year 7	1.40
Expected benefits for year 8	1.34
Expected benefits for year 9	3.17
Expected benefits for year 10 & above	43.63

The weighted average duration to the payment of these cash flows is 8.37 years.

(ix) Effect of Change in Key Assumptions

Year Ended March 31, 2021

Particulars	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(3.94)%	4.28%
Impact of decrease in 50 bps on DBO	4.20%	(4.05)%

The expected contribution for the next year is INR Nil.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Information disclosed above is to the extent provided by actuary.

Exposure to Risks:

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Note 28 : Segment Information:

The Company's only business being Banquet Catering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments'. There is no geographical segment to be reported.

Note 29 : Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share' prescribed under Section 133 of the Companies Act, 2013.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Profit/ (Loss) after tax –(₹)	(159.47)	308.54
Number of Ordinary (Equity) Shares	50,000	50,000
Weighted Average Number of Ordinary (Equity) Shares:		-
Considered in calculation of Basic EPS	50,000	50,000
Considered in calculation of Diluted EPS	50,000	50,000
Face Value per Ordinary (Equity) Share (₹)	100.00	100.00
Earnings Per Share (₹):		
Basic	(318.95)	617.09
Diluted	(318.95)	617.09

Note 30 : Tax Disclosures

i) Income Tax Recognised in Profit and Loss Statement:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax		
In respect of the current year	-	110.31
In respect of earlier years		
Resulting from reversal of provision for tax for earlier years	-	-
Other demands and tax paid for earlier years	-	-
	0.00	**110.31**
Deferred Tax		
In respect of the current year		
Other items includes the impact on account of change in tax rates	(45.53)	(6.50)
Total tax expense recognised in the current year relating to continuing operations	**(45.53)**	**103.81**

ii) Reconciliation of tax expense with the effective tax:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax from continuing operations (a)	(205.00)	412.25
Income tax rate as applicable (b)	25.17%	25.17%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(51.59)	103.75
Permanent tax differences due to:		
Effect of expenses that are not deductible in determining taxable profit	-	-
Others	-	(0.05)
Deferred Tax reversal		
Net Impact of the change in the tax rates	-	-
Adjustment to Opening Deferred Tax	6.06	-
Prior year taxes	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)		
Total tax expense recognised in the current year	**(45.53)**	**103.70**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

iii) Income tax recognised in other comprehensive income:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(0.28)	(0.11)
	(0.28)	**(0.11)**

iv) Reconciliation of Deferred Tax Asset and Deferred Tax Liability:

(₹ in Lakhs)

March 31, 2021	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities/ assets in relation to:				
Property, Plant and equipment & Intangible Assets	(1.27)	(1.77)	-	(3.04)
Provision for Employee Benefits	5.55	-1.34	-	4.21
Provisions for Defined benefit obligations	0.73	1.11	(0.28)	1.56
Losses in current year	-	48.78	-	48.78
Others (Expenses disallowed to be allowed in future)	1.50	(1.24)	-	0.26
Total Deferred Tax Asset	**6.51**	**45.54**	**(0.28)**	**51.77**

(₹ in Lakhs)

March 31, 2020	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities/ assets in relation to:				
Property, Plant and equipment & Intangible Assets	-	(1.27)	-	(1.27)
Provision for Employee Benefits	-	5.55	-	5.55
Provisions for Defined benefit obligations	-	0.84	(0.11)	0.73
Others (Expenses disallowed to be allowed in future)	-	1.50	-	1.50
Total Deferred Tax Assets	**-**	**6.62**	**(0.11)**	**6.51**

Note 31 : Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

Financial assets and liabilities

The carrying value of financial instruments by categories under the most relevant method i.e. amortised cost is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets:		
Cash and cash equivalents	143.04	243.33
Bank Balances other than Cash & Cash Equivalents	200.00	200.00
Trade Receivables	4.16	55.51
Investments	7.20	7.20
Other financial assets - Non Current*	-	-
Other financial assets - Current*	4.64	56.24
Total	**359.04**	**562.27**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities:		
Borrowings	-	-
Trade Payables	60.63	81.92
Other financial liabilities - Non Current*	-	-
Other financial liabilities - Current*	34.91	33.50
Total	**95.54**	**115.42**

Fair value of Financial Instruments measured at amortised cost:

The management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements approximate to their fair value.

Note 32 (a) : Related party transactions

Details of related parties:

(i) Holding Company

The Indian Hotels Company Limited (IHCL)
(Tata Sons Private Limited has substantial interest in The Indian Hotels Company Limited)

(ii) Fellow subsidiaries

KTC Hotels Limited
United Hotels Limited
Roots Corporation Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Northern India Hotels Limited
Benares Hotels Limited
Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels & Investments Limited
Ideal Ice & Cold Storage Company Limited
Taj International Hotels (H.K) Limited
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
IHMS LLC - San Francisco
IHMS LLC - USA
PIEM International Hotels (H.K) Limited
United Overseas Holdings Inc.
IHMS Hotels (SA) (Proprietary) Limited
Goodhope Palace Hotels (Proprietary) Limited

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(ii) Directors who held the office during the year:

(a)	Rohit Khosla	Director	Appointed from October 11, 2019
(b)	Gaurav Pokhariyal	Director	Appointed from July 18, 2019
(c)	Mohit Gupta	Director	Appointed from October 11, 2019
(d)	Ashok Binnani *	Director	Resigned on October 11, 2019
(e)	Nabakumar Shome *	Director	Resigned on January 17, 2020
(f)	Beejal Desai *	Director	Resigned on October 17, 2019

* for part of previous year

Note 32 (b) : Details of related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021:

(₹ in Lakhs)

S. No.	Particulars	Holding Company		Fellow Subsidiary	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Transactions during the year:				
1	Business income	40.57	87.10	-	-
2	Rent Expenses	36.18	17.09	-	-
3	Heat Light and Power Cost Expenses	30.50	20.78	-	-
4	Transfer of Fixed Assets	-	11.60	-	-
5	Reimbursement of expenses to related party	9.26	3.55	-	-
6	Reimbursement of expenses from related party	0.31	-	0.12	-

(₹ in Lakhs)

S. No.	Particulars	Holding Company		Fellow Subsidiary	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Balances outstanding at the end of the year:				
1	Trade Payables	-	3.70	-	-
2	Trade Receivables (Gross)	0.67	50.76	-	-
3	Other Receivables	-	8.13	-	0.55

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 33 : Disclosure pursuant to Ind AS 115

(₹ in Lakhs)

	Particulars	March 31, 2021	March 31, 2020
1	**Contract With Customers**		
	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Income from operations		
	Food and Banquet Income	292.57	962.57
	Total Income from operations	**292.57**	**962.57**
2	**Impairment losses - Nil**	-	-
3	**Disaggregate Revenue**		
	The following table presents company revenue disaggregated by type of revenue stream and by reportable segment (Refer Note 28 for Segment Reporting):		
	Revenue based on geography		
	India	292.57	962.57
	Overseas	-	-
	Revenue based on product and services		
	Food and Banquet Income	292.57	962.57
4	The Company derives its revenue from the transfer of goods and services over time in its major service lines. This is consistent with the revenue information that is disclosed for each **reportable segment** under Ind AS 108. (Refer Note 28 for Segment Disclosure).		
5	**Contract balances**		
	The following tables present information about trade receivables, contract assets, and deferred revenue:		
	Trade Receivables	4.16	55.51
	Deferred Revenue	-	-
	Advance Collections	18.58	22.06
	Advance Collections, deposits from customer		
	Refer Note No. 2 on significant accounting policies for details of performance obligation and revenue recognition.		
	At April	22.06	0.00
	At March	18.58	22.06
	Analysed as:		
	Current	18.58	22.06
	Non-current	-	-
	Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to ₹ 22.06 Lakhs.		

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 34 (a) : Financial risk management:

The Company's principal financial liabilities, comprise, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance team provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
No of Customers who owed more than 10% of the Total receivables	4	1
Contribution of Customers in owing more than 10% of Total receivables	88%	91%

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company operates on the funds accrued through operation, hence, the said risk is not significant for the company.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

Contractual Maturity of Financial Liabilities:	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
Year ended March 31, 2021				
Borrowings (for renewal)	-	-	-	-
Trade and other payables	60.63	-	-	60.63
Other financial liabilities - Non Current	-	-	-	-
Other financial liabilities - Current	34.91	-	-	34.91
Year ended March 31, 2020				
Borrowings (for renewal)	-	-	-	-
Trade and other payables	81.92	-	-	81.92
Other financial liabilities - Non Current	-	-	-	-
Other financial liabilities - Current	33.50	-	-	33.50

Note 35 : There are no financial liabilities and assets that are set off during the financial year March 31, 2021 and March 31, 2020.

Note 36 : Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met through operating cash flows generated. The Company does not have any debt and thus Debt to Equity ratio is not given.

Note 37 : Previous year figures have been regrouped or rearranged wherever neceessary.

As per our report of even date as attached

For Brahmayya & Co.
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Chennai, April 22, 2021

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Satyajeet Krishnan
Director
DIN: 07491453

New Delhi, April 22, 2021

Independent Auditor's Report

To the Members of Taj Trade and Transport Company Limited

Report on the Audit of the Financial statements

Opinion

We have audited the accompanying financial statements of Taj Trade And Transport Company Limited ('the Company'), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement Of Changes In Equity and the Statement of Cash Flows and for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statement in accordance with the Standards of Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Emphasis of matter(s)

We draw attention to:

a) Note 39 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, intangible assets, investments, inventories, trade receivables valuation as at March 31, 2021 being considered recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID19 pandemic.

Our opinion is not modified in respect of the above matter.

Information Other than the Financial statements and Auditor's Report Thereon

Independent Auditor's Report (Contd.)

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate 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.

Independent Auditor's Report (Contd.)

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The matter described in sub- paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have adverse effect on the functioning of the Company

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 25 to the Financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. there are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Chandrashekar Iyer & Co**
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Mumbai, April 12, 2021
Membership No.47723
UDIN: 21047723AAAABF3512

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Taj Trade and Transport Company Limited of even date)

i. In respect of the Company's fixed assets:

   a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b. The Company has a programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the fixed assets were physically verified by the management during the year and 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 records of the Company, the Company has no immoveable property. Accordingly, sub clause (c) of clause (i) of paragraph 3 of the said order are not applicable.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records have been adequately provided for in the books of accounts.

iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.

iv. According to the information and explanations given to us, the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.

v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.

vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.

vii. a. The Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, goods and service tax (GST), custom duty, excise duty, and any other statutory dues applicable.

   b. According to the information and explanations given to us and on basis of examination of records, no undisputed amounts payable in respect of provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, goods and service tax (GST), customs duty, excise duty were outstanding, as at March 31, 2021 for a period of more than six months from the date they became payable.

Annexure 'A' to the Independent Auditor's Report (Contd.)

c. According to the records of the Company there are no dues of sales tax/Value added tax, goods & service tax, income-tax, customs duty and excise duty which have not been deposited on account of any dispute except the following:

Name of the Statue	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Maharashtra Sales Tax	Lease Tax	3542060/-	1998-99 to 2000-01	Sales Tax Appellate Tribunal (Mumbai)
Income Tax Act, 1961	Income Tax	942450/-	AY 2013-14	CIT Appeals

viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given by the management, except for a fraud by an employee on the company, no other fraud on or by the company has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties during the year are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Chandrashekar Iyer & Co**
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership No.47723
Mumbai, April 12, 2021

UDIN: 21047723AAAABF3512

Annexure ‘B’ to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements section of our report to the Members of Taj Trade and Transport Company Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Taj Trade And Transport Company Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of

Annexure 'B' to the Independent Auditor's Report (Contd.)

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chandrashekar Iyer & Co**
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership No.47723

Mumbai, April 12, 2021
UDIN: 21047723AAAABF3512

Balance Sheet as at March 31, 2021

	Note	March 31, 2021	March 31, 2020
			₹
ASSETS			
Non-current assets			
Property, plant and equipment	3	21,207,051	24,073,065
Capital work-in-progress	3	867,365	601,066
Other Intangible assets	4	1,072,131	1,339,727
		23,146,547	**26,013,858**
Financial assets			
Investments	5	19,444,221	19,444,221
Loans	6	55,000	129,574
Income Tax Asset (Net)		21,843,396	22,672,685
Total non-current assets		**64,489,165**	**68,260,338**
Current assets			
Inventories	8	39,379,941	60,511,421
Financial assets			
Investments	7	28,212,912	42,387,719
Trade receivables	9	1,069,992	2,923,284
Cash and cash equivalents	10	5,708,042	8,872,552
Bank balances other than cash and cash equivalents	11	23,343,909	36,164,192
Loans	6	5,382,312	6,158,232
Other current assets	12	10,600,042	7,305,291
Total current assets		**113,697,149**	**164,322,690**
Total Assets		**178,186,314**	**232,583,029**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	34,682,250	34,682,250
Other equity	14	54,750,694	94,224,597
Total equity		**89,432,944**	**128,906,847**
Liabilities			
Non-current liabilities			
Provisions	15	4,640,624	4,438,177
Total non current liabilities		**4,640,624**	**4,438,177**
Current Liabilities			
Financial liabilities			
Short Term Borrowings	16	14,533,418	8,872,305
Trade payables	17	50,474,827	76,820,058
Other current liabilities	18	18,746,309	13,198,940
Provisions	15	358,192	346,702
Total current liabilities		**84,112,746**	**99,238,005**
Total Equity and Liabilities		**178,186,314**	**232,583,029**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements from 1 to 44			

As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place: Mumbai
Dated: April 12, 2021

For and on behalf of the Board

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Statement of Profit and Loss for the year ended March 31, 2021

₹

	Note	March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	19	34,337,972	158,617,682
Other income	20	5,064,977	10,507,139
Total Income		**39,402,948**	**169,124,821**
EXPENSES			
Material Purchased	21	(853,052)	123,379,848
Changes in Inventories	22	21,192,779	(30,306,001)
Employee benefit expenses	23	27,626,292	33,812,147
Depreciation and amortisation expense		3,777,323	3,917,469
Other expenses	24	27,326,030	47,271,776
Total Expenses		**79,069,372**	**178,075,239**
Profit/ (Loss) before exceptional items and tax		(39,666,423)	(8,950,418)
Exceptional items		-	-
Profit/ (Loss) before tax		**(39,666,423)**	**(8,950,418)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total		**-**	**-**
Profit/ (Loss) after tax		(39,666,423)	(8,950,418)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		192,520	57,923
		192,520	**57,923**
Total comprehensive Income for the period		**(39,473,903)**	**(8,892,495)**
Profit/ (Loss) for the period attributable to:			
Owners of the Company		(39,666,423)	(8,950,418)
Total Comprehensive Income for the period attributable to			
Owners of the Company		(39,473,903)	(8,892,495)
Earnings per share:			
Basic - (₹)		(11.44)	(2.58)
Diluted - (₹)		(11.44)	(2.58)
Face value per equity share - (₹)		10	10
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements from 1 to 44			

As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place: Mumbai
Dated: April 12, 2021

For and on behalf of the Board

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Statement of Cash Flows for the year ended March 31, 2021

₹

	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(39,666,423)	(8,950,418)
Adjustments For:		
Depreciation and Amortisation	3,777,323	3,917,469
Provision for Doubtful Debts and Advances	1,630,693	-
Loss/(profit) on sale of assets	-	(13,848)
Assets written off	179,231	-
Gain on fair valuation of investment mandatorily measured at FVPL	(1,170,403)	(2,538,202)
Dividend Income	(332,818)	(833,795)
Interest Income	(1,847,255)	(2,866,363)
Provision for devaluation of stock	(61,299)	(1,141)
Provision for Employee Benefits	192,520	57,923
	2,367,992	**(2,277,957)**
Cash Operating Profit before working capital changes	(37,298,431)	(11,228,375)
Adjustments for (increase)/ decrease in operating assets:		
Inventories	21,192,779	(30,306,001)
Trade Receivables	222,599	957,038
Short-term loans and advances	101,574	(243,300)
Loans and advances	748,920	(45,138)
Other Current Assets	(3,294,751)	(6,940,191)
	18,971,121	**(36,577,590)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	(26,345,232)	33,466,126
Short term provisions	11,490	99,815
Long-term Provisions	202,447	203,713
Other Liabilities	5,547,369	(1,677,827)
	(20,583,925)	**32,091,827**
Cash Generated from Operating Activities	(38,911,235)	(15,714,138)
Direct Taxes (Paid)/ Refunded	829,289	(2,544,203)
Net Cash Generated From Operating Activities (A)	**(38,081,946)**	**(18,258,344)**

Statement of Cash Flows for the year ended March 31, 2021

₹

	March 31, 2021	March 31, 2020
Purchase of Property, Plant and Equipment	(822,944)	(4,186,292)
Purchase of intangible assets	-	(1,373,587)
Sale of Property, Plant and Equipment	-	49,266
Capital Work in Progress	(266,299)	281,434
Purchase / (Sale) of current Investments	15,345,210	-
Interest Received	1,847,255	3,470,127
Dividend Received	332,818	833,795
Bank overdraft	5,661,113	4,182,989
Deposits matured	12,820,283	5,255,296
Net Cash Generated/(Used) In Investing Activities (B)	**34,917,436**	**8,513,028**
Cash Flow From Financing Activities		
Dividend paid (Including tax on dividend)	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	-	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(3,164,510)**	**(9,745,316)**
Cash and Cash Equivalents - Opening (Refer Note 10)	**8,872,552**	**18,617,868**
Cash and Cash Equivalents - Closing (Refer Note 10)	**5,708,042**	**8,872,552.11**
Summary of Significant Accounting Policies 2		
The accompanying notes form an integral part of the Financial Statements from 1 to 44		

As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place: Mumbai
Dated: April 12, 2021

For and on behalf of the Board

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Notes to the Financial Statements for the year ended March 31, 2021

Note 1: Corporate Information

Taj Trade and Transport Co. Ltd is incorporated and domiciled in India and has its registered office at Mandlik House, Mandlik Road, Colaba, Mumbai 400 001. The Company is primarily engaged in the business of Retailing Merchandise under the brand name of Taj Khazana.

Note 2: Statement of significant accounting policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(c) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(d) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- Useful lives of property, plant and equipment and intangible assets: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- Impairment testing: Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- Income Taxes: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

- Provision for tax liabilities require judgements on the interpretation of tax law, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.
- Fair value measurement of derivative and other financial instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- Litigation: From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- Defined benefit plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
- All assets and liabilities are classified into current and non-current generally on the criteria of realisation /settlement within twelve months period from the Balance sheet date.

e) Revenue recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer.

Revenue from operations

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes sale of goods and services.

Revenue from sale of goods is recognised net of trade discount, returns and indirect taxes on transfer of significant risks and rewards of ownership to the buyer (which generally coincides with the delivery of goods to the customers).

Rendering of services is recognised net off indirect taxes and is recognised in the period in which services have been rendered. These contracts are generally short term in nature.

Interest:

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend:

Dividend income is recognised when the Company’s right to receive the amount is established.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

All property, plant and equipment are initially recorded at cost. Cost includes all expenditure incidental to acquisition and installation.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it's estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful life
Leasehold Improvements	05 years
Office Equipment	05 years
Plant & Machinery	15 years
Furniture & Fixtures	15 years
Electrical fittings	10 years
Computers	6 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Intangible Assets:

Intangible assets include cost of acquired software and Licences. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. The estimated useful life used for amortising intangible assets are as under:

Nature of Assets	Useful life adopted
Software and Licences	6 years

(h) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(i) Foreign Currency Translation:

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell

(k) Inventories:

Traded goods and consumables are valued at lower of cost and net realisable value. Cost of traded goods is arrived on the basis of specific identification method. In the case of stocks of beauty salons, the same is valued under FIFO method.

(l) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(n) Employee Benefits

(i) Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

(ii) Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

(iii) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

(iv) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(o) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(p) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(q) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(r) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the decision-maker who are responsible for allocating resources and assessing performance of the operating segments and have been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets/liabilities”.

(s) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Refer note no. 42.

(t) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in equity – others is carried at lower of cost or fair value

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) The Company has transferred substantially all the risks and rewards of the asset, or

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹

	Improvements to Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles *	Total	Capital Work in Progress
Cost							
At April 1, 2019	5,881,452	9,377,692	24,010,922	232,688	1,200	39,503,955	882,500
Additions	189,364	1,133,515	2,747,861	115,552	-	4,186,292	204,910
Adjustment						-	
Disposals/ Transfer	-	82,668	21,899	-		104,567	486,344
At March 31, 2020	**6,070,816**	**10,428,539**	**26,736,884**	**348,240**	**1,200**	**43,585,680**	**601,066**
Additions	71,896	189,082	516,435	45,531	-	822,944	1,176,523
Adjustments						-	
Disposals/ Transfer	401,826	2,589,655	396,212	22,256		3,409,949	910,224
At March 31, 2021	**5,740,886**	**8,027,966**	**26,857,107**	**371,515**	**1,200**	**40,998,675**	**867,365**
Depreciation							
At April 1, 2019	4,825,963	4,698,756	6,331,428	29,935	-	15,886,082	
Charge for the year	508,697	1,099,031	2,012,640	75,314	-	3,695,682	
Adjustments						-	
Disposals		47,250	21,899	-		69,149	
At March 31, 2020	**5,334,660**	**5,750,537**	**8,322,169**	**105,249**	**-**	**19,512,615**	
Charge for the year	270,395	1,024,020	2,112,175	103,136	-	3,509,726	
Adjustments						-	
Disposals	401,826	2,547,585	268,235	13,071		3,230,718	
At March 31, 2021	**5,203,229**	**4,226,972**	**10,166,109**	**195,314**	**-**	**19,791,623**	
Net Block							
At March 31, 2020	**736,157**	**4,678,002**	**18,414,715**	**242,991**	**1,200**	**24,073,065**	**601,066**
At March 31, 2021	**537,657**	**3,800,994**	**16,690,998**	**176,201**	**1,200**	**21,207,051**	**867,365**

Footnotes:

1 * Cars & Vehicles including Leased Cars upto March 31, 2003 costing ₹ 49,39,770/- (Previous Year ₹ 49,39,770/-), WDV ₹ 1,200/- (Previous Year ₹ 1,200/-) have been held for disposal and valued at WDV or Net Realisable Value whichever is lower. Refer to note number 30 to notes to accounts.

2 For Capital Commitments refer note no. 25.

Note 4 : Intangible Assets (Acquired)

₹

	Software	Goodwill	Total
Cost			
At April 1, 2019	506,091	10,574,151	11,080,242
Additions	1,373,587	-	1,373,587
Adjustments			-
Disposals	-	-	-
At March 31, 2020	**1,879,678**	**10,574,151**	**12,453,829**
Additions	-	-	-
Adjustments			-
Disposals	119,380	-	119,380
At March 31, 2021	**1,760,298**	**10,574,151**	**12,334,449**

₹

	Software	Goodwill	Total
Amortisation			
At April 1, 2019	318,164	10,574,151	10,892,315
Charge for the year	221,787	-	221,787
Adjustments			-
Disposals	-	-	-
At March 31, 2020	**539,951**	**10,574,151**	**11,114,102**
Charge for the year	267,597	-	267,597
Adjustments			
Disposals	119,381	-	119,381
At March 31, 2021	**688,167**	**10,574,151**	**11,262,318**
Net Block			
At March 31, 2020	**1,339,727**	**-**	**1,339,727**
At March 31, 2021	**1,072,131**	**-**	**1,072,131**

Note 5 : Investments

Non Current Investments	March 31, 2021 Holdings As at	₹	March 31, 2020 Holdings As at	₹
Fully Paid Quoted Equity Instruments				
Investments in Associate of Holding Companies (At Cost)				
Oriental Hotels Limited shares of Rs.1 each fully paid	1,664,090	18,608,480	1,664,090	18,608,480
	1,664,090	**18,608,480**	**1,664,090**	**18,608,480**
Fully Paid Unquoted Equity Instruments				
Investments in Subsidiary and Associates of Holding Companies (At Cost)				
Inditravel Limited shares of Rs.10 each fully paid	72,001	720,750	72,001	720,750
Taida Trading and Industries Limited shares of Rs. 100 each fully paid	680	68,000	680	68,000
	72,681	**788,750**	**72,681**	**788,750**
Other Investments (Cost or Fair value whichever is lower)				
Bombay Mercantile Co-op Bank Ltd	333	9,990	333	9,990
Saraswat Co-op Bank Ltd	1,000	10,000	1,000	10,000
	1,333	**19,990**	**1,333**	**19,990**
Total Investment in Equity instruments		**19,417,220**		**19,417,220**
Investment in Others				
National Saving Certificate *		95,000		95,000
		95,000		**95,000**
Total Non-current Investments - Gross		**19,512,220**		**19,512,220**
Less: Provision for Diminution in value of Investments **		(67,999)		(67,999)
Total Non-current Investments - Net		**19,444,221**		**19,444,221**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6 : Loans

₹

		March 31, 2021	March 31, 2020
A)	**Non Current**		
	(Unsecured, considered good unless stated otherwise)		
	Loans and advances to Employees	-	101,574
	Security Deposit	55,000	28,000
		55,000	**129,574**
B)	**Current**		
	(Unsecured, considered good unless stated otherwise)		
	Related Parties (Refer Note no. 43)		
	Considered Good	28,957	466,719
	Interest Receivable	436,693	791,513
	Loans and advances to Employees	16,662	
Others		4,900,000	4,900,000
		5,382,312	**6,158,232**

Note 7 : Investments

Current Investments	March 31, 2021		March 31, 2020	
	Holdings		Holdings	
	As at	₹	As at	₹
Investments in Mutual Fund Units (Quoted)				
Tata Mutual Fund	**8,687**	**28,212,912**	**13,534**	**42,387,719**
TOTAL		**28,212,912**		**42,387,719**
1) Aggregate amount of cost of quoted Investments		28,212,912		42,387,719
2) Aggregate market value of quoted Investments		28,212,912		42,387,719

Note 8 : Inventories (At lower of cost and net realisable value)

₹

	March 31, 2021	March 31, 2020
Stock in Trade *	39,742,782	60,935,561
Less: Provision for Devaluation of Stock	362,841	424,140
	39,379,941	**60,511,421**

* Stock in Trade (as taken and certified by management) is valued at lower of Cost & Market Value

Note 9 : Trade receivables

₹

	March 31, 2021	March 31, 2020
Unsecured Considered good	1,069,992	2,923,284
Considered doubtful	1,630,693	-
	2,700,685	**2,923,284**
Less: Provision for Debts doubtful of recovery		
Over Six Month	1,630,693	-
(For Related Party balances refer note no. 43)	1,069,992	2,923,284

Note 10 : Cash and Cash Equivalents

₹

	March 31, 2021	March 31, 2020
Cash on hand	298,480	311,020
Balances with bank in current account	5,409,562	8,561,532
	5,708,042	**8,872,552**

Note 11 : Bank Balances Other than Cash and Cash Equivalents

₹

	March 31, 2021	March 31, 2020
OTHER BALANCES WITH BANKS		
Call and Short-term deposit accounts (Of which Rs.8,02,779/- (Previous year Rs.7,57,826/-) is held as security against Bank Guarantee)	21,943,909	34,764,192
Long Term Bank Deposit held as security against Bank guarantee	1,400,000	1,400,000
	23,343,909	**36,164,192**

Note 12 : Other Assets

₹

	March 31, 2021	March 31, 2020
Current		
Prepaid Expenses	473,893	634,579
Indirect tax recoverable	10,126,149	6,670,712
	10,600,042	**7,305,291**

Note 13 : Equity Share Capital

₹

	March 31, 2021	March 31, 2020
Authorised Share Capital		
Equity Shares		
40,00,000 (Previous Year 40,00,000) Equity Shares of Rs. 10 each	40,000,000	40,000,000
	40,000,000	**40,000,000**
Issued Share Capital		
Equity Shares		
34,68,225 (Previous Year 34,68,225) Equity Shares of Rs. 10 each fully paid.	34,682,250	34,682,250
	34,682,250	**34,682,250**

Footnotes:

₹

	March 31, 2021		March 31, 2020	
	No. of shares		No. of shares	
As at the beginning of the year	3,468,225	34,682,250	3,468,225	34,682,250
Add: Issued during the year	-	-	-	-
As at the end of the year	**3,468,225**	**34,682,250**	**3,468,225**	**34,682,250**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(ii) Shareholders holding more than 5% shares in the Company

	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 10 each fully paid				
The Indian Hotels Company Limited	1,616,999	46.62%	1,616,999	46.62%
Inditravel Limited	550,766	15.88%	550,766	15.88%
Piem Hotels Limited	886,500	25.56%	886,500	25.56%

(iii) Shares in the entity held by the holding company/ ultimate holding company or by its subsidiaries and associates.

	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Name of the Company				
Equity shares of ₹ 10 each fully paid				
Shares held by Ultimate Holding Company				
The Indian Hotels Company Limited	1,616,999	46.62%	1,616,999	46.62%
	1,616,999	**46.62%**	**1,616,999**	**46.62%**
Shares held by Subsidiaries of Ultimate Holding Company				
Inditravel Limited	550,766	15.88%	550,766	15.88%
Piem Hotels Limited	886,500	25.56%	886,500	25.56%
Northern India Hotels Limited	49,998	1.44%	49,998	1.44%
	1,487,264	**42.88%**	**1,487,264**	**42.88%**
Shares held by Associates of Ultimate Holding Company				
Oriental Hotels Limited	100,500	2.90%	100,500	2.90%
	100,500	**2.90%**	**100,500**	**2.90%**

(iv) The company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

(v) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note 14: Statement of Changes in Equity

₹

Particulars	Equity Share Capital Subscribed	Other Equity				Total
		Reserves and Surplus				
		Securities Premium Account	General Reserve	Other reserves	Retained Earnings	
Balance as at March 31, 2019	34,682,250	28,125,000	46,866,523	2,817,750	25,307,819	137,799,342
Profit/(Loss) for the year ended March 31, 2020					(8,950,418)	(8,950,418)
Other Comprehensive Income for the year ended March 31, 2020, net of taxes, (excluding actuarial gain/ losses, given below)					-	-
Remeasurements of post employment benefit obligation, net of tax					57,923	57,923
Total Comprehensive Income for the year ended March 31, 2020	-	-	-	-	**(8,892,495)**	**(8,892,495)**
Dividends				-	-	-
Tax on Dividend				-	-	-
Balance as at March 31, 2020	**34,682,250**	**28,125,000**	**46,866,523**	**2,817,750**	**16,415,324**	**128,906,847**
Profit/(Loss) for the year ended March 31, 2021					**(39,666,423)**	**(39,666,423)**
Other Comprehensive Income for the year ended March 31, 2021, net of taxes, (excluding actuarial gain/ losses, given below)					-	-
Remeasurements of post employment benefit obligation, net of tax					192,520	192,520
Total Comprehensive Income for the year ended March 31, 2021	-	-	-	-	**(39,473,903)**	**(39,473,903)**
Dividends				-	-	-
Tax on Dividend				-	-	-
Balance as at March 31, 2021	**34,682,250**	**28,125,000**	**46,866,523**	**2,817,750**	**-23,058,579**	**89,432,944**

Note 15 : Provisions

₹

	March 31, 2021	March 31, 2020
A) Non- Current		
Employee Benefit Obligation		
Leave Encashment	1,739,009	1,366,112
Gratuity	2,901,615	3,072,065
	4,640,624	**4,438,177**
B) Current		
Employee Benefit Obligation		
Leave Encashment	358,192	346,702
	358,192	**346,702**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 16 : Short Term Borrowings

₹

	March 31, 2021	March 31, 2020
	₹	₹
Bank Overdraft		
(Secured against Fixed Deposits of Rs. 2,11,86,083/-	14,533,418	8,872,305
previous year Rs. 3,02,10,390/-)	**14,533,418**	**8,872,305**

Note 17 : Trade Payables

₹

	March 31, 2021	March 31, 2020
Micro, Small and Medium Enterprises - (Refer note no. 37)	-	-
Others	49,975,198	74,254,555
Accrued expenses and others	499,629	2,565,503
	50,474,827	**76,820,058**

Note 18 : Other current Liabilities

₹

	March 31, 2021	March 31, 2020
A) Current		
Statutory dues	10,628,692	11,112,006
Related Parties	7,000,571	896,569
Others		
Provision for Contingencies	1,117,046	1,117,046
Others	-	73,319
	18,746,309	**13,198,940**

Note 19 : Revenue from Operations

₹

	March 31, 2021	March 31, 2020
Sale of Goods	28,760,232	137,107,429
Sale of Services	5,577,740	21,510,253
Total	**34,337,972**	**158,617,682**

Note 20 : Other Income

₹

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Deposits with banks (Tax deducted at source Rs.1,01,165/- (Previous Year Rs.2,76,832/-)	1,847,255	2,866,363
Interest on Income Tax Refunds	236,056	-
Total	**2,083,311**	**2,866,363**
Dividend received on Investment carried at cost		
Dividend Income - Non-Current (Trade)	332,818	832,045
Dividend Income - Non-Current (Non Trade)	-	1,750

₹

	March 31, 2021	March 31, 2020
Profit on sale of assets (Net)	-	13,848
Gain on fair valuation of investment mandatorily measured at FVPL	1,170,403	2,538,202
Exchange Gain (Net)	5,341	41,546
Others	1,473,104	4,213,386
Total	**5,064,977**	**10,507,139**

Note 21 : Materials Purchased

₹

	March 31, 2021	March 31, 2020
Purchase of stock in trade - Trading	(853,052)	123,379,848
Total Material purchased	**(853,052)**	**123,379,848**

Note 22 : Changes in Inventories

₹

	March 31, 2021	March 31, 2020
(i) Trading		
Opening Stock	60,935,561	30,629,560
Closing Stock	39,742,782	60,935,561
Total	**21,192,779**	**(30,306,001)**

Note 23 : Employee Benefit Expenses

₹

	March 31, 2021	March 31, 2020
Salaries, Wages, Bonus etc.	19,752,671	24,095,216
Company's Contribution to Provident and Other Funds	2,918,544	2,931,409
Reimbursement of Expenses on Personnel Deputed to the Company	3,667,393	3,933,495
Staff Welfare Expenses	1,287,684	2,852,027
Total	**27,626,292**	**33,812,147**

Note 24 : Other expenses

₹

	March 31, 2021	March 31, 2020
Electricity	1,218,883	2,952,496
Repairs to Machinery	32,058	-
Repairs - Others	275,432	642,497
Commission to others	75,300	17,236
Rent	9,494,546	24,015,992
Rates and Taxes	65,487	283,504
Insurance	1,008,612	1,261,438
Business Promotion Expenses	608,529	1,421,454
Travelling and Conveyance Expenses	1,058,556	2,594,543
Credit Cards Charges	347,241	1,597,266
Provision for Doubtful Debts (Refer Footnote (vi))	1,630,693	-
Legal and Professional Charges	7,549,281	8,284,272

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹

	March 31, 2021	March 31, 2020
Payment made to Statutory Auditors (Refer Footnote (i))	305,250	492,268
Assets Written Off	179,231	-
Provision for Consignment Stock	37,000	-
Miscellaneous Expenses	3,439,931	3,708,810
Total	**27,326,030**	**47,271,776**

Footnote:

(i) Payment made to Statutory Auditors:

₹

	March 31, 2021	March 31, 2020
As auditors	250,000	345,000
As tax auditors	50,000	86,250
For out-of pocket expenses	5,250	61,018
	305,250	**492,268**

25. Contingent Liabilities:

Contingent liabilities and commitments (to the extent not provided for)

₹

Particulars	March 31, 2021	March 31, 2020
Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Income tax demand under appeal	9,42,450	9,42,450
	9,42,450	**9,42,450**
(b) Other money for which the company is contingently liable		
Employee Related Matters	69,26,220	69,26,220
(c) Guarantees given by banks on behalf of the company	5,44,090	5,44,090
	84,12,760	**84,12,760**
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,40,150	5,48,607
	87,52,910	**89,61,367**

The management believes that the outcome of the proceedings will not have an adverse effect on the company's financial position and results of the operation.

26. IND AS 115 'Revenue from Contracts with Customers'

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

Ind AS 115 - Disclosure format

Note No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
CONTRACT WITH CUSTOMERS			
1	**Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.**		
	Revenue from operations		
	Revenue from contract with customers		
	a) Sale goods	28,760,232	137,107,429
	b) Sale of services	5,577,740	21,510,253
	Total Revenue from operations	**34,337,972**	**158,617,682**
2	**Disaggregate Revenue**		
	The following table presents Company's revenue disaggregated by type of revenue stream		
	Revenue based on product and services		
	Revenue from contract with customers		
	a) Sale of goods	28,760,232	137,107,429
	b) Sale of services	5,577,740	21,510,253

3 The Company derives its revenue from the transfer of goods and services at a point of time in its major service lines.

4 Contract balances

Advance Collections, deposits from customer

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.

	Year ended March 31, 2021	Year ended March 31, 2020
At April	-	-
At March	-	-

Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to Rs NIL (P.Y. Rs. NIL).

27. The Company is carrying slow-moving/non-moving inventory of ₹3,62,841 (P.Y. ₹4,24,140) which is more than one year old in its books. An amount of ₹3,62,841 (P.Y. ₹4,24,140) is being carried forward as provision for obsolescence against this stock.

28. The Company is carrying forward a provision of ₹Nil (P.Y ₹Nil) on account of shortages/damages in the consignment stocks.

29. The Company has Goods on Approval arrangement with suppliers in ordinary course of business. The value of such stock, at cost, which has been excluded from the Balance sheet amounts to ₹ 5,91,00,781 (P.Y.₹ 19,85,92,086).

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

30. Assets held for disposal:

₹

Particulars	Original Cost	Book Value	Book Value of Previous Year
Cars & Vehicles	49,39,770 (P.Y. 49,39,770)	1,200	1,200

The estimated realisation value of the above assets is higher than the present book value.

31. Employee Benefits.

Applicable Disclosures as per IND AS-19:

The Company has calculated the various benefits to employees as under:

(A) Defined contribution plans

The company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and other funds (net of recoveries).

(₹)

	March 31,2021	March 31, 2020
Provident fund	13,94,635	15,81,001

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Funded

(C) Defined benefit plans – as per actuarial valuation on March 31, 2021: -

₹

		March 31, 2021	March 31, 2020
(i)	**Amount to be recognised in Balance Sheet and movement in net liability**		
	Present Value of Funded obligation	99,70,087	1,04,50,363
	Fair Value of Plan Assets	70,47,232	73,57,058
	Net (Assets) / Liability	29,22,855	30,93,305
(ii)	**Expense recognised in Statement of Profit & Loss**		
	Current service cost	6,34,390	5,96,667
	Interest cost	1,89,079	2,04,732
	Total	**8,23,469**	**8,01,399**
(iii)	**Expense recognised in Other Comprehensive Income**		
	Remeasurements due to:		
	Changes in financial assumptions	4,51,964	(56,809)
	Changes in demographic assumptions	-	-
	Experience adjustments	(10,12,448)	(1,41,702)
	Actual return on plan assets less interest on plan assets	3,67,964	1,40,588
	Adjustment to recognise the effect of asset ceiling		
	Total	**(1,92,520)**	**(57,923)**

₹

		March 31, 2021	March 31, 2020
(iv)	**Reconciliation of Defined Benefit Obligation:**		
	Opening Defined Benefit Obligation	10,450,363	9,441,624
	Current service cost	634,390	596,667
	Interest cost	635,529	683,275
	Remeasurements due to actuarial loss/ (gain) arising from		
	Changes in financial assumptions	451,964	-56,809
	Changes in demographic assumptions		
	Experience adjustments	(1,012,448)	-141,702
	Benefits Paid	(1,189,711)	(72,692)
	Closing Defined Benefit Obligation	9,970,087	10,450,363
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Opening of Fair Value of Plan Assets	7,357,058	6,479,944
	Interest on plan assets	446,450	478,543
	Remeasurements due to:		
	Actual return on plan assets less interest on plan assets	(367,964)	(140,588)
	Contribution by Employer	801,399	611,851
	Benefits Paid	(1,189,711)	(72,692)
	Closing of Fair Value of Plan Assets	7,047,232	7,357,058
(vi)	**Acturial Assumptions**		
	Discount rate(p.a.) in %	6.80%	6.65%
	Salary Escalation rate (p.a.) in %	8%	7%
	Pension Escalation Rate (p.a.) in %	-	-
	Annual Increase in healthcare costs (p.a.)	-	-
	Mortality table(LIC)	-	-

vii) Disaggregation of Plan Assets

	March 31, 2021				March 31, 2020			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Government Debt Instruments	-	-	-	0%	-	-	-	0%
Insurer managed funds		7,047,232	7,047,232	100%		7,357,058	7,357,058	100%
Cash and cash equivalents			-	0%			-	0%
Investment funds			-	0%			-	0%
Others		-	-	0%		-	-	0%
Total	-	7,047,232	7,047,232	100%	-	7,357,058	7,357,058	100%

(viii) Sensitivity Analysis

	March 31, 2021	
	Discount rate	Salary Escalation rate
	(%)	(%)
Impact of increase in 50 bps on DBO	(2.73%)	2.83%
Impact of decrease in 50 bps on DBO	2.87%	(2.71%)

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(ix) Any other additional disclosure given in the report

Mortality Table *	
Mortality in service	Table 1
	Table 1
Mortality in retirement	NA
	NA

*Table 1 - Indian Assured Lives Mortality (2006-08) Ult table

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

32. Current, Deferred tax (asset)/Liability:

Deferred tax Asset on unabsorbed depreciation, business loss and others has been recognised to the extent of deferred tax liability.

Reconciliation of tax expense with the effective tax

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax from continuing operation (a)	(39,666,423)	(8,950,418)
Income tax rate as applicable (b)	26.00%	26.00%
Calculated Taxes based on above, without any adjustments for deduction [(a) x (b)] - c	(10,313,270)	(2,327,109)
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	(86,533)	(684,830)
Permanent disallowances	169,000	176,283
Deferred tax assets not created due to no probable certainty	10,230,803	2,835,656
d	10,313,270	2,327,109
Tax for current year (c+d)	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	-	-

33. Additional information

(₹)

Sr. No	Particulars	March 31, 2021	March 31, 2020
(i)	Value of imports on CIF basis:- Trading Goods	Nil	Nil
(ii)	Expenditure in Foreign Currency –		
	- Passage and Travelling	-	-
	- Professional Fees	-	-
(iii)	Earnings in foreign exchange		
	(a) Value of sales at shops including value of goods sold on consignment basis and settled in foreign currency or through foreign based credit card agencies (As certified by the management and not verified by the auditors)	15,73,213	5,83,86,717
	(b) Export – F.O.B. value	-	12,49,306

34. Details of opening stock, purchases, sales and closing stock of traded items for the year ended March 31, 2021.

(₹)

Particulars	Opening Stock	Purchases	Sale	Closing Stock
Crafts and wall coverings	6,512,101	51,298	3,188,695	4,562,472
Previous year	5,668,283	12,907,653	27,431,387	6,512,101
Costume Jewellery	27,855,120	-9,589,907	3,939,626	15,175,455
Previous year	6,816,027	38,688,332	22,825,724	27,855,120
Fabric/ Garments/ Leather	7,764,928	1,643,153	5,547,942	5,696,889
Previous year	2,892,929	22,621,106	25,123,616	7,764,928
Saree and stoles	11,117,360	28,546	5,664,893	7,934,204
Previous year	8,547,106	21,738,823	33,851,549	11,117,360
Assorted	7,686,050	7,013,857	10,419,075	6,373,761
Previous year	6,705,215	27,423,933	27,875,153	7,686,050
Total	**60,935,561**	**-853,052**	**28,760,232**	**39,742,781**
Previous year	30,629,560	123,379,848	137,107,429	60,935,561

Note:

The particulars of sales, purchase, opening and closing stock given above represent broad categories, consisting of individual items that very in nature and price and quantity. Current year's figures are therefore not comparable with those of the previous year.

35. Earnings per share:

(₹)

		March 31, 2021	March 31, 2020
A	Numerator used for calculating basic and diluted Earnings per share Profit/(Loss)after Taxation	(3,96,66,423)	(89,50,418)
B	Weighted average number of shares used as denominator for calculating basic and diluted Earnings per share	34,68,225	34,68,225
C	Nominal value per share (Rs.)	10	10
D	Basic and diluted earnings per share (Rs.)	(11.44)	(2.58)

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

36. The details of provisions as required by the provisions of Accounting IND AS 37 "Provision, Contingent Liabilities and Contingent Assets are as under;

Nature of Provision	Leave Encashment and Gratuity(₹)
Opening Balance	47,84,879
Additional provisioning	11,13,388
Benefits paid during the year	8,99,451
Closing Balance	49,98,816

37. Amounts due to Micro, Small and Medium Enterprises:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act,2006" has been determined to the extend such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

(₹)

	March 31, 2021	March 31, 2020
(a) Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.	-	-
(b) Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c) The amount of interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f) The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above paid to the small enterprise, for the purpose of are actually disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

38. There is no separate reportable segment, as the company is predominantly engaged in only one segment i.e. Retail outlets (Khazana). Therefore, the provisions of Ind AS – 108 issued by the Institute of Chartered Accountants of India, pertaining to segment reporting, is not applicable. There is only one geographical segment in which the company operates i.e. India.

39. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. This being an unprecedented event which is difficult to estimate, the actual implications could vary. The economic/social consequences of this event are impacting the very operation of the retail trade and consumer demand. However the management considers the impairment assessment of property, plant and equipment, intangible assets, investments, trade receivables valuation as at March 31, 2021 as recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID19 pandemic.

40. Impact of Covid-19 on Business Activity:

Estimation uncertainty relating to the global health pandemic on COVID-19:

On March 11, 2020 the World Health Organization declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities& retail outlets etc were closed, except for a few essentials services/supplies like grocery stores, pharmacies, etc.

The Company's business has been severely impacted from start of the financial year 2020-21 on account of COVID-19 due to closure of all hotels. Stores based out of hotels had been closed since March 15, 2020 and the remaining stores were closed since the mandated lockdown from March 22, 2020. The Company got all the stores to become operational in staggered manner after the lockdown was lifted. However, sales are very soft on account of social distancing norms, hotels operating at lower capacity, and softer consumer sentiments, etc. There could be an additional exposure on account of further extension of lockdown, and phased opening of stores in few cites where we operate.

Costs in the coming months are expected to be higher due to increased focus on store sanitization and procurement of personal protection equipment for employees. The Company has asked the hotels for waiver on occupancy and maintenance charges for the lockdown period. As most of the lease agreements for the stores had expired on March 31, 2020, the company has received positive response from the hotels and new agreements were signed only on reopening of the hotels. The company is holding back on discretionary spends and planning other cost optimization measures.

41. As at March 31, 2021, the company's current liabilities do not exceed its current assets. The Company also has enough Cash and Bank balances for the next 12 months to prevent disruption of the operating cash flows and enable the Company to meet its debts and obligations as they fall due.

Accordingly, the financial statements of the Company are prepared on a going concern basis.

42. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Company as a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis and consequently, on transition, the Company has not recognised a lease liability measured at the present value of the remaining lease payments nor recognised the right-of-use asset.

The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

43. Related Party Disclosure under Ind AS – 24, issued by the Institute of Chartered Accountants of India.

(a) Name of related parties are as under:

A. Holding Company	**The Indian Hotels Company Limited**
B. Subsidiaries of Holding Company	KTC Hotels Limited
	United Hotels Limited
	Roots Corporation Limited
	Piem Hotels Limited
	Inditravel Limited
	Northern India Hotels Limited
	Taj Enterprises Limited
	Benares Hotels Limited
	Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
	Skydeck Properties and Developers Private Limited
	Sheena Investments Private Limited
	ELEL Hotels & Investments Limited
	Ideal Ice and Cold Storage Company Limited
	Taj International Hotels (H.K) Limited
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited - London
	IHMS LLC - San Francisco
	IHMS LLC - USA
	PIEM International Hotels (H.K) Limited
	BAHC 5
	United Overseas Holdings Inc.
	IHMS Hotels (SA) (Proprietary) Limited
	Goodhope Palace Hotels (Proprietary) Limited
C. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts Limited
	Taj SATS Air Catering Limited
	Taj Safaris Limited
	Kaveri Retreat & Resorts Limited
	Zarrenstar Hospitality Private Limited
	Taj Karnataka Hotels & Resorts Ltd
	Taj GVK Hotels & Resorts Ltd
	TAL Hotels & Resorts Ltd

b. The details of related parties' transactions during the year and outstanding balances as at March 31, 2021 are as follows:

₹

Particulars	Holding Company		Subsidiaries of Holding	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deputed Staff cost	3,667,393	4,083,495	-	-
Operating / License fees paid	7,331,771	19,781,525	375,000	75,000
Other operating Income	-	268,838	-	5,496
Dividend Paid	-	-	-	-
Purchase of services	8,524,340	12,606,138	-	89,127
Current account dues	(9,288,530)	(4,966,432)	(409,018)	318,300

₹

	Associates of Holding		Joint Ventures	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Operating / License fees paid	324,000	1,080,000	129,608	268,532
Dividend received	332,818	833,795	-	-
Purchase of services	14,465	128,744	10,916	37,128
Current account dues	(218,503)	-50,449	96,128	96,128

(c) Statement of material transactions

(₹)

	March 31, 2021	March 31, 2020
Holding Company		
The Indian Hotels Company Ltd		
Lease Rentals for Hotel/Factory Premises	7,331,771	19,781,525
Reimbursement of Deputed Staff Salary	3,667,393	4,083,495
Reimbursement of Fuel, Power, Light Etc.	1,732,734	4,012,653
Reimbursement of Laundry expenses	70,997	249,445
Reimbursement of Other expenses	720,609	8,344,040
Other Operating Income	-	268,838
Current account dues	(9,288,530)	(4,966,432)
Subsidiaries of Holding Company		
Piem Hotels Limited		
Lease Rentals for Hotel/Factory Premises	375,000	75,000
Purchase of services	-	89,127
Current account dues	(414,375)	-
Inditravel Limited		
Other operating Income	-	5,496
Current account dues	5,357	318,300
St. James Courts Hotels Limited		
Current account dues	(181,503)	(181,503)
Associates of Holding Company		
Oriental Hotels Ltd		
Lease Rentals for Hotel/Factory Premises	324,000	1,080,000
Dividend Income - Non-Current Investment	332,818	833,795
Reimbursement of Laundry expenses	7,625	95,595
Reimbursement of Other expenses	6,840	33,149
Current account dues	(218,503)	-198,868

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(₹)

	March 31, 2021	March 31, 2020
Taida Trading and Industries Ltd.		
Current account dues	-	148,419
Joint Ventures		
Kaveri Retreat & Resorts Limited- Corporate		
Lease Rentals for Hotel/Factory Premises	129,608	268,532
Reimbursement of Fuel, Power, Light Etc.	5,916	12,000
Reimbursement of Laundry expenses	-	8,571
Reimbursement of Other expenses	5,000	16,557
Current account dues	96,128	96,128

44. Figures of the previous year have been regrouped/ rearranged wherever necessary so as to make them comparable with those of the current year.

Signatures to Notes 1 to 44.

As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place: Mumbai
Dated: April 12, 2021

For and on behalf of the Board

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Independent Auditor’s Report

To the Members of **United Hotels Limited**

1. Report on the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of United Hotels Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as “Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act with the Companies (Indian Accounting Standards) Rules,2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit (including Other Comprehensive Income), its Cash Flows and Changes in Equity for the year ended on that date.

2. Basis for opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India(ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

3. Responsibility of Management for Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Independent Auditor's Report (Contd.)

4. Auditor's Responsibility for the Audit of the Ind AS financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor’s Report (Contd.)

5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor’s Report) Order 2016, (the Order) issued by the Central Government of India in terms of section 143(11) of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in “Annexure A‟ a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by the report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards referred to in section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on March 31, 2021 and taken on record by Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B‟

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - refer Note 31 to the Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

h) As per information and explanations furnished to us and on examination of the records produced, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act, read with Schedule V of the Act.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M. No. 083436

Place: New Delhi
Date: April 22, 20221

Annexure 'A' to the Independent Auditor's Report

"Annexure A" of our Independent Auditor's report of even date on the Ind AS financial statements as at and for the year ended March 31, 2021 of United Hotels Limited

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) A substantial part of the Fixed assets has been physically verified by the management during the year and there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c) According to the information and explanations, and the records provided to us, the company does not have immovable property, hence no comment is required under paragraph 3(i)(c) of the Order.

2. Inventory has been physically verified by the management and no material discrepancies were noticed. In our opinion, the frequency of verification is reasonable.

3. The company in has given an inter-corporate deposit (ICD) to a related party covered under Ind AS 24. The terms and conditions of ICD are not prejudicial to the interests of the Company; repayment of principal and interest has been stipulated and as at the end there is no overdue amount.

4. As per information and explanations given to us and records examined, the provisions of section 185 and 186 of the Act to the extent applicable have been complied with in respect of investments and loans.

5. According to the information and explanations given to us and records examined, the Company has not accepted any deposits that are covered by paragraph 3(v) of the Order.

6. According to the information and explanations given to us, maintenance of the cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company.

7. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees‟ state insurance, income-tax, sales-tax, service tax, goods and services tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable.

   b) According to the information and explanations given to us and the records of the Company examined by us, there are no amounts that have not been deposited on account of any dispute in respect of income tax or sales tax or service tax or goods and service tax or duty of customs or duty of excise or value added tax.

8. As per information and explanations furnished to us and on verification of the records produced, the Company has not availed any loans or borrowings to a financial institution/ bank/ government. The Company has not issued any debentures. Hence, no comment is required under the paragraph 3(vii) of the Order.

9. As per information and explanations given to us and as per verification of the records produced before us, the Company does not have any term loans or raised money by way of initial public offer or further public offer (including debt instruments), hence no comment is required under paragraph 3 (ix) of the Order.

10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.

Annexure 'A' to the Independent Auditor's Report (Contd.)

11. As per information and explanations furnished to us and on examination of the records produced, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act, read with Schedule V of the Act.

12. The Company is not a Nidhi Company; hence, no comment is required under paragraph 3 (xii) of the Order.

13. As per information and explanations furnished to us and on examination of the records produced, the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.

14. As per information and explanations furnished to us and on verification of the records produced, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence, no comment is required under paragraph 3(xiv) of the Order.

15. As per information and explanations furnished to us and on verification of the records produced, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors or person connected with him during the year. Hence, no comment is required under paragraph 3(xv) of the Order.

16. As per information and explanations furnished to us and on verification of the records produced, we are of the opinion that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M. No. 083436

Place: New Delhi
Date: April 22, 2021

Annexure 'B' to the Independent Auditor's Report

"Annexure B" to the Independent Auditor's report of even date on the Ind AS Financial Statements as at and for the year ended March 31, 2020 of United Hotels Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of United Hotels Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally preparation of financial statements in accordance with generally expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure 'B' to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has generally in most aspects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M. No. 083436

Place: New Delhi
Date: April 22, 2021

Balance Sheet As at March 31, 2021

₹ in Lakhs

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3	876.72	956.69
Capital Work-in Progress		-	-
Right to use Assets	3(a)	132.97	159.55
Intangible Assets	4	9.16	11.00
		1,018.85	**1,127.24**
Financial Assets			
Investments	5	180.67	157.62
Other Financial Assets	6	33.14	31.26
Deferred Tax Assets(Net)	7	480.69	289.86
Advance Income Tax (Net)	8	143.61	127.82
Other Non Current Assets	14	41.50	146.26
		879.61	**752.82**
Current Assets			
Inventories	9	63.43	80.59
Financial Assets			
Trade Receivables	10	63.55	135.09
Cash and Cash Equivalents	11(a)	1,137.40	1,797.91
Other Balances with Banks	11(b)	-	-
Loans	12	550.00	550.00
Other Financial Assets	13	107.03	121.04
Other Current Assets	14	42.49	55.69
		1,963.90	**2,740.32**
Total		**3,862.37**	**4,620.38**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	840.00	840.00
Other Equity	16	994.90	1,587.40
Total Equity		**1,834.90**	**2,427.40**
Non-current Liabilities			
Provisions	20	80.54	111.13
Lease Liabilities		572.04	683.00
		652.58	**794.13**
Current Liabilities			
Financial Liabilities			
Lease Liabilities		110.96	89.11
Trade Payables			
Total outstanding dues of micro & small enterprises	17	7.04	3.88
Total outstanding dues of creditors other than micro & small enterprises	17	273.39	289.18
Other Financial Liabilities	18	190.35	266.83
Other Current Liabilities	19	58.24	108.83
Provisions	20	734.93	641.01
Liabilities directly associated with assets classified as held for sale			
		1,374.89	**1,398.84**
Total		**3,862.37**	**4,620.37**
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1-37		

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants
FRN 000033N

Virender Kumar
Director
DIN 00053909

Rohit Khosla
Director
DIN 07163135

Harsh Raj Malik
Company Secretary

Vipin Bali
Partner
M. No.083436

Date: April 22, 2021
Place: New Delhi

Statement of Profit and Loss for the year ended March 31, 2021

₹ in Lakhs

	Note	March 31, 2021	March 31, 2020
INCOME			
Room, Restaurants, Banquets and Income from Operations	21	1,476.41	3,963.75
Other Income	22	119.05	144.29
Total Income		**1,595.46**	**4,108.04**
EXPENSES			
Food and Beverages Consumed	23	190.00	468.88
Employee Benefits Expense and Payment to Contractors	24(a)	891.67	1,113.28
Finance costs	24(b)	72.89	81.50
Depreciation and amortisation expenses	3&4	150.02	152.80
Other Operating and General Expenses	25	1,024.03	1,796.20
Total Expenses		**2,328.62**	**3,612.66**
Profit/(Loss) before Tax		**(733.15)**	**495.38**
Tax Expenses:			
Current Tax		-	99.49
Short/(excess) of earlier years		8.37	(0.44)
Deferred Tax		(190.82)	64.22
Total Taxes		**(182.45)**	**163.27**
Profit after Tax for the year		**(550.70)**	**332.10**
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		19.15	(12.30)
Change in fair value of equity instruments designated irrevocably as FVTOCI		23.05	1.69
Less:- Income tax expenses		-	-
		42.21	**(10.61)**
Item that will be reclassified subsequently to profit and loss		-	-
Other Comprehensive Income for the period, net of tax		**42.21**	**(10.61)**
Total Comprehensive Income for the period		**(508.50)**	**321.50**
Earnings Per Equity Share:			
Basic and Diluted	26	(6.56)	3.95
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1-37		

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants

FRN 000033N

Virender Kumar
Director
DIN 00053909

Rohit Khosla
Director
DIN 07163135

Harsh Raj Malik
Company Secretary

Vipin Bali
Partner
M. No.083436

Date: April 22, 2021
Place: New Delhi

Statement of Changes in Equity for the Year ended March 31, 2021

₹ in Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Equity Instruments through OCI	Total
		Capital Reserve	General Reserve	Other reserves	Retained Earnings		
Balance as at March 31, 2019	**840.00**	**11.41**	**1,551.75**	**-**	**753.22**	**(469.12)**	**2,687.26**
Profit for the Year ended March 31, 2020					332.09		332.09
Add:- Ind AS 116- Transition Reserve					(480.07)		(480.07)
Other Comprehensive Income for the Year ended March 31, 2020, net of taxes, (excluding actuarial gain/ losses, given below)						1.69	1.69
Remeasurements of post employment benefit obligation, net of tax					(12.30)		(12.30)
Total Comprehensive Income for the Year ended March 31, 2020	-	-	-	-	(160.29)	1.69	(158.60)
Add/ Less:							
Dividends				-	(84.00)		(84.00)
Tax on Dividend				-	(17.27)		(17.27)
Balance as at March 31, 2020	**840.00**	**11.41**	**1,551.75**	**-**	**491.67**	**(467.43)**	**2,427.40**
Profit for the Year ended March 31, 2021					(550.70)		(550.70)
Add:- Ind AS 116- Transition Reserve					-		-
Other Comprehensive Income for the Year ended March 31, 2021, net of taxes, (excluding actuarial gain/ losses, given below)						23.05	23.05
Remeasurements of post employment benefit obligation, net of tax					19.15		19.15
Total Comprehensive Income for the Year ended March 31, 2021	**-**	**-**	**-**	**-**	**(531.55)**	**23.05**	**(508.50)**
Add/ Less:							
Dividends				-	(84.00)		(84.00)
Tax on Dividend				-	-		-
Balance as at March 31, 2021	**-**	**-**	**-**	**-**	**(123.88)**	**(444.38)**	**1,834.90**

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants

FRN 000033N

Virender Kumar
Director
DIN 00053909

Rohit Khosla
Director
DIN 07163135

Harsh Raj Malik
Company Secretary

Vipin Bali
Partner
M. No.083436

Date: April 22, 2021
Place: New Delhi

Cash Flow Statement for the year ended March 31, 2021

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ Before Tax	(733.15)	495.37
Adjustments For:		
Depreciation	123.44	126.15
Depreciation on Right to Use Assets	26.58	26.65
Loss/(Profit) on sale of Assets	0.85	(1.82)
Provision for Doubtful Debts	0.49	(2.09)
Interest on lease liability	72.89	81.50
Interest Income	(118.96)	(141.21)
Accrual of SEIS Income	-	(37.95)
Provision for Employee Benefits	(36.68)	14.28
	68.62	**65.51**
Cash Flow From Operations Before Working Capital Changes	(664.53)	560.88
Adjustments for Increase/(decrease) in operating assets/liabilities		
Trade and Other Receivables	209.21	(18.69)
Inventories	17.16	(29.74)
Trade and Other Payables	(15.70)	71.68
	210.67	23.25
Cash Generated From Operating Activities	**(453.86)**	**584.13**
Income Tax Refunds(Excluding Interest)	11.83	57.41
Income Tax Paid	(36.05)	(112.00)
Net Cash From Operating Activities	**(478.08)**	**529.54**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(43.33)	(135.94)
Capital Advance	-	13.90
Proceeds from sale of property, plant & equipment	0.84	-
Interest Received	106.06	141.21
Inter Corporate Deposits placed with Benaras Hotels Ltd.	(250.00)	(50.00)
Inter Corporate Deposits Returned from Benaras Hotels Ltd.	250.00	-
Net Cash Used in Investing Activities	**63.57**	**(30.83)**
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(162.00)	(162.00)
Dividend Paid (Including tax on dividend)	(84.00)	(101.27)
Net Cash Used In Financing Activities	(246.00)	(263.27)
Net Increase / (Decrease) in Cash and Cash Equivalents	**(660.51)**	**235.44**
Cash and Cash Equivalents- Opening - April 1	1,797.91	1,562.47
Cash and Cash Equivalents-closing - March 31, 2021	1,137.40	1,797.91

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants

FRN 000033N

Virender Kumar
Director
DIN 00053909

Rohit Khosla
Director
DIN 07163135

Harsh Raj Malik
Company Secretary

Vipin Bali
Partner
M. No.083436

Date: April 22, 2021
Place: New Delhi

Notes to financial statements for the Year ended March 31, 2021

Note 1. Corporate Information

United Hotels Limited ("UHL" or the "Company"), is a public limited company incorporated in 1950 and has its registered office at Ambassador, New Delhi, Sujan Singh Park, Subramaniam Bharti Marg, New Delhi – 110 003. The Company is primarily engaged in the business of Hoteliering and other allied services. The Indian Hotels Company Limited owned 55% of the equity capital of the company and is the holding company.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements. The Company has adopted all issued Indian Accounting Standards (Ind AS), as applicable.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- Useful lives of property, plant and equipment and intangible assets: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- Impairment testing: Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- Income Taxes: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.
- Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual

results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- Litigation: From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- Defined benefit plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation ad its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Revenue from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services: In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Membership Fees: Membership fee income majorly consists of Spa Membership fees Income is earned when the customer enrols for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Interest:

Interest income is accrued on a time proportion basis using the effective interest rate method.

(e) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund authorities.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

ii. Gratuity Fund

The Company has defined benefit plan for post-retirement benefit in the form Gratuity which is administered through LIC for all employees in hotel payroll. The company's contribution to Defined Benefit Plan is charged to the statement of profit and loss as paid. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

iv. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(O) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Assets costing less than ₹ 5000	4 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Intangible Assets:

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets is as under:

Class of Assets	Estimated Useful Life
Software and Licences	6 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(h) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(i) Foreign currency translation:

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(k) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(l) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(m) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(n) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(o) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(p) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(q) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(r) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(s) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets/ liabilities”.

(t) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) The Company has transferred substantially all the risks and rewards of the asset, or

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Accounting Policy for Leases:

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company statement of financial position as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Company has opted not to apply the lease accounting model to leases of low value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Company statement of cash flows:

short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and

payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities

Note 3 : Property, Plant and Equipment

₹ in Lakhs

Particulars	Plant & Equipment	Furniture and Fixtures	Office Equipments	Total	Capital Work in Progress
Gross Block at Cost					
At April 1, 2019	1,134.17	235.10	80.65	1,449.93	
Additions	102.54	27.01	8.38	137.93	137.93
Disposals	1.90	-	0.64	2.55	
Transfer					137.93
At March 31, 2020	**1,234.81**	**262.10**	**88.39**	**1,585.31**	-
At April 1, 2020	1,234.81	262.11	88.39	1,585.31	-
Additions	32.26	8.89	2.18	43.33	43.33
Disposals	4.88		0.41	5.29	
Transfer					43.33
At March 31, 2021	**1,262.19**	**271.00**	**90.16**	**1,623.35**	**-**
Depreciation					
At April 1, 2019	357.71	109.26	39.73	506.70	
Charge for the Period	91.31	18.68	11.92	121.91	
Disposals			-	-	
At March 31, 2020	**449.02**	**127.95**	**51.64**	**628.61**	-
Depreciation					
At April 1, 2020	449.02	127.95	51.64	628.61	
Charge for the Period	90.89	19.23	11.49	121.60	
Adjustment				-	
Disposals	3.42		0.17	3.59	
At March 31, 2021	**536.48**	**147.17**	**62.96**	**746.62**	**-**
Net Block					
At March 31, 2020	**785.79**	**134.16**	**36.75**	**956.70**	-
At March 31, 2021	**725.70**	**123.83**	**27.19**	**876.72**	**-**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 (a) : Right to use assets

₹ in Lakhs

Particulars	Others	Land	Building	Total
Gross Block at Cost				
At April 1, 2020			**186.20**	**186.20**
Additions on acquisition				
Additions				
Deduction for the year				
Adjustments				
At March 31, 2020		-	**186.20**	**186.20**
At April 1, 2020			186.20	
Additions				
Disposals				
Transfer				
At March 31, 2021		**-**	**186.20**	**186.20**
Depreciation				
At April 1, 2020			**26.65**	**26.65**
Opening Adjustment				
Charge for the Year				-
Deduction for the year				
At March 31, 2020		-	**26.65**	**26.65**
At April 1, 2020			**26.65**	
Opening Adjustment				
Charge for the Year			26.58	
Deduction for the year				
At March 31, 2021		**-**	**53.23**	**53.23**
Net Block				
At March 31, 2020		-	**159.55**	**159.55**
At March 31, 2021		-	132.97	132.97

* for Right to use assets refer Note No. 26

Note 4 : Intangible Assets

₹ in Lakhs

Particulars	Software
Gross Block at Cost	
At April 1, 2019	38.43
Additions	-
Disposals	-
At March 31, 2020	**38.43**
At April 1, 2020	**38.43**
Additions	-
Disposals	-
At March 31, 2021	**38.43**
Depreciation	
At April 1, 2019	23.19
Charge for the Period	4.24
Disposals	-
At March 31, 2020	**27.43**
At April 1, 2020	27.43
Charge for the Period	1.83
Disposals	-
At March 31, 2021	**29.26**
Net Block	
At March 31, 2020	**11.00**
At March 31, 2021	**9.16**

Footnotes:
Software includes Customer Reservation System and other licensed software.

Note 5 : Investments

Investment at fair value through OCI (Fully paid)	Face Value Face Value	Holding as at 31.03.2021 (nos.)	₹ in Lakhs	Holding as at 31.03.2020 (nos.)	₹ in Lakhs
Fully Paid Unquoted Equity Instruments					
Taj Air Limited	10/-	6,250,000	180.00	6,250,000	156.88
Fully Paid Quoted Equity Investments					
Graviss Hospitality Limited	2/-	4,500	0.67	4,500	0.74
TOTAL			**180.67**		**157.62**
Notes:-					
Aggregate of Unquoted Investments - Gross	Cost		625.00		625.00
Aggregate of Quoted Investments - Gross	Cost		0.05		0.05
	Market Value		0.67		0.74

* As per communication received from the holding company, the fair Value of equity shares in Taj Air Limited has been taken as Rs. 2.88 per equity share.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6 : Other Financial Assets

₹ in Lakhs

	March 31, 2021	March 31, 2020
Non Current		
Deposits with Public Bodies and Others		
with related parties	-	-
with Public Bodies and Others	12.93	12.93
	12.93	**12.93**
Deposits with Banks	20.21	18.33
(Term deposit with banks maturing after 12 months from the Balance Sheet date and pledged with Sales Tax Authorities)		
Total	**33.14**	**31.26**

Note 7 : Deferred Tax Assets(Net)

₹ in Lakhs

	March 31, 2021	March 31, 2020
Deferred Tax Assets:		
Provision for doubtful debts	4.19	4.06
Provision for Employee Benefits	13.74	18.62
Provision for Contingencies	182.47	157.30
IndAS-116 Lease Liabilitis	171.90	194.32
DTA - Unabsorbed Tax Losses	184.89	-
Provision for Revision in Minimum Wages	-	-
	557.19	**374.30**
Deferred Tax Liabilities:		
IndAS-116 Right to Use Assets	33.47	40.16
Depreciation on Property, Plant & Equipment and Intangible Assets	43.03	44.28
Total	**480.69**	**289.86**

Note 8 : Advance Income Tax (Net)

₹ in Lakhs

	March 31, 2021	March 31, 2020
Advance Income Tax Paid (net)	143.61	127.82
Total	**143.61**	**127.82**

Note 9 : Inventories (At lower of cost or net realisable value)

₹ in Lakhs

	March 31, 2021	March 31, 2020
Food and Beverages	51.19	62.41
Stores and Operating Supplies	12.24	18.18
Total	**63.43**	**80.59**

Note 10 : Trade Receivables

₹ in Lakhs

	March 31, 2021	March 31, 2020
Outstanding over six months from the date they were due for payment:		
Considered good	3.36	15.97
Credit impaired	16.64	16.15
Which have significant increase in credit risk	-	-
	20.00	**32.12**
Others:		
Considered good	60.20	119.12
Which have significant increase in credit risk	-	-
	80.20	**151.24**
Less: Provision for trade receivables credit impaired	16.64	16.15
Total	**63.55**	**135.09**

Allowance for doubtful debts

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Opening Balance	16.15	18.24
Add:- Allowance for the year	1.53	1.69
	17.68	**19.93**
Bad debts written off	-	(3.61)
Reversal of allowance	(1.04)	(0.17)
Total	**16.64**	**16.15**

Note 11(a) : Cash and Cash equivalents

₹ in Lakhs

	March 31, 2021	March 31, 2020
Cash on Hand	2.04	2.42
Term deposits with Banks having maturity of less than 3 months	1,000.00	1,600.00
Balance with bank in current accounts	135.36	195.49
TOTAL	**1,137.40**	**1,797.91**

Note 11(b) : Bank Balances other than Cash and Cash Equivalent

₹ in Lakhs

	March 31, 2021	March 31, 2020
Call and short term deposit - maturing after 12 months	-	-
Deposits pledged with others- refere note 6	20.21	18.33
Less: Term deposit with bank maturing after 12 months from the Balance Sheet data and other earmarked / margin money / pledged deposits classfied as non-current	20.21	18.33
TOTAL	**-**	**-**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 12 : Loans

₹ in Lakhs

	March 31, 2021	March 31, 2020
Current		
(Unsecured, considered good unless stated otherwise)		
ICD given to Related Parties		
Benares Hotels Limited	550.00	550.00
Total	**550.00**	**550.00**

Note 13 : Other Financial Assets

₹ in Lakhs

	March 31, 2021	March 31, 2020
Current		
Deposit with public bodies and others	2.94	2.94
Other Advances		
Considered good	32.61	58.40
Considered doubtful	-	-
	32.61	**58.40**
Interest Receivable		
Related Parties	5.99	5.31
Others	6.91	13.75
	12.90	**19.06**
On Current Account dues:		
Related Parties	1.43	6.21
Others	57.16	34.43
	58.59	**40.64**
Total	**107.03**	**121.04**

Note 14: Other Non Financial Assets

₹ in Lakhs

	March 31, 2021	March 31, 2020
Non Current		
Capital Advances	-	-
Export Incentive (SEIS) Receivable	41.50	146.26
	41.50	**146.26**
Current		
Prepaid Expenses	25.40	47.77
Indirect tax recoverable	10.11	-
Advance to Suppliers	6.05	6.10
Advance to Employees	0.93	1.82
Others - Export Incentive (SEIS) Received	0.00	-
	42.49	**55.69**

Note 15 : Equity Share Capital

₹ in Lakhs

	March 31, 2021	March 31, 2020
Authorised Share capital		
Equity Shares		
1,00,00,000 Equity Shares (Previous Year 1,00,00,000 equity shares of ₹ 10/-each)	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, Subscribed and Paid up		
Equity Shares		
84,00,000 Fully Paid-Up Equity Shares (Previous Year 84,00,000 Fully Paid Equity Shares of ₹ 10/- each)	840.00	840.00
	840.00	**840.00**

a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the period.

₹ in Lakhs

	No. of Shares	March 31, 2021	No. of Shares	March 31, 2020
As at the beginning of the Year	8,400,000	840.00	8,400,000	840.00
Add:- Shares Issued during the year	-		-	-
As at the end of the year	**8,400,000**	**840.00**	**8,400,000**	**840.00**

b) Shareholders holding more than 25% Equity Shares in the Company

Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
The Indian Hotels Co. Ltd.(Holding Company)	4,620,000	55.00%	4,620,000	55.00%
(Shares held by Holding Company along with subsidiaries)				
TOTAL	**4,620,000**	**55.00%**	**4,620,000**	**55.00%**

The Indian Hotels Company Limited is the Holding of the Company

c) Shareholders holding more than 5% Equity Shares in the Company

Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Rajinder Kumar	651,840	7.76%	651,840	7.76%
Mr. Narinder Kumar	786,240	9.36%	786,240	9.36%
Mrs. Veena Khanna	651,840	7.76%	651,840	7.76%
Mr. Pawan Pershad	651,840	7.76%	651,840	7.76%
Mr. Virender Kumar	651,840	7.76%	651,840	7.76%
TOTAL	**3,393,600**	**40.40%**	**3,393,600**	**40.40%**

d) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the apporval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 16: Other Equity

₹ in Lakhs

	March 31, 2021	March 31, 2020
Capital Reserve		
Opening and Closing Balance	11.41	11.41
General Reserve		
Opening Balance	1,551.75	1,551.75
Add: Transferred from Surplus in Statement of Profit and Loss	-	-
Closing Balance	**1,551.75**	**1,551.75**
Retained Earnings		
Opening Balance	491.67	753.22
Add:-Net Profit/(Loss) for the current year	(550.70)	332.09
Add:- Ind AS 116- Transition Reserve	-	(480.07)
Less:-Dividend Paid	84.00	84.00
Less:-Tax on Dividend	-	17.27
Less:-Transfer to General Reserves	-	-
Less: Ind AS- OCI Movements - Net Defined Benefit Plans	(19.15)	12.30
Less: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans	-	-
Closing Balance	**(123.88)**	**491.67**
Other Reserves		
FVOCI - Equity Instruments		
Opening Balance	(467.43)	(469.11)
OCI - Equity Instruments (Not Reclass to P&L)		
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI	23.05	1.69
Closing Balance	**(444.38)**	**(467.43)**
TOTAL	**994.90**	**1,587.40**

Note 17 : Trade Payables

₹ in Lakhs

	March 31, 2021	March 31, 2020
Total outstanding dues of micro and small enterprises	7.04	3.88
Total outstanding dues of creditors other than micro and small enterprises	198.99	218.98
Accured expenses and others	74.39	70.20
Total	**280.42**	**293.06**

₹ in Lakhs

	March 31, 2021	March 31, 2020
(a) The principal amount remaining unpaid to suppliers as at the end of accounting year	7.04	3.88
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.		

₹ in Lakhs

	March 31, 2021	March 31, 2020
(d) The amount of interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

	March 31, 2021	March 31, 2020
(e) The amount of interest accured during the year and remaining unpaid at the end of accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	**7.04**	**3.88**

Note 18 : Other Current Financial Liabilities

₹ in Lakhs

	March 31, 2021	March 31, 2020
Current		
On Current Account dues:		
Holding Company	50.14	45.22
Fellow Subsidiaries		-
Others	-	0.91
	50.14	**46.13**
Deposit from others	22.13	21.44
Creditors for Capital goods & services	8.61	23.27
Employee Related Liabilities	107.62	165.21
Other Liabilities	1.85	10.78
Total	**190.35**	**266.83**

United Hotels Limited

CIN: U74899DL1950PLC001861

Notes to financial statements for Year ended March 31, 2021

Note 19 : Other Current Liabilities

₹ in Lakhs

	March 31, 2021	March 31, 2020
Current		
Advance collected from Customers	46.49	45.57
Statutory Dues	11.74	63.26
Total	**58.24**	**108.83**

Note 20 : Provisions

₹ in Lakhs

	March 31, 2021	March 31, 2020
Long Term Provisions		
Employee Benefit Obligation (Non-current)		
Compensated absences	44.67	57.95
Gratuity	35.87	53.18
	80.54	**111.13**
Short Term Provisions		
Employee Benefit Obligation (Current)		
Compensated absences	9.93	16.01
Provisions - Others		
Provision for Contingencies*	725.00	625.00
Total	**734.93**	**641.01**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

*For	Opening Balance	Addition /(Deletion)	Closing Balance
Legal and Statutory matters	625.00	100.00	725.00

Note 21 : Rooms, Restaurants, Banquets and Income from Operations

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Rooms Income	650.41	1,821.52
Food, Restaurants and Banquet Income	704.77	1,903.93
Shop Rental	12.41	25.62
Others	108.83	212.68
TOTAL	**1,476.41**	**3,963.75**

Note 22 : Other Income

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Interest Income		
Inter-corporate deposits	62.01	72.96
Deposits with banks	56.94	52.70
Interest on Income Tax Refunds	-	15.55
	118.96	**141.21**
Profit on Sale of Fixed Assets	-	1.82
Others	0.09	1.26
TOTAL	**119.05**	**144.29**

Note 23 : Food and Beverages Consumed

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Food and Beverages Consumed		
Opening Stock	80.59	50.85
Add:- Purchases *	172.84	498.62
	253.43	**549.47**
Less:- Closing Stock	63.43	80.59
Food and Beverages Consumed	**190.00**	**468.88**

Purchase cost of Food and Beverages is after adjusting sale of empties

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Sale of Empties	1.04	3.80

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 24 (a) : Employee Benefits Expense and Payment to Contractors

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Salaries, Wages, Bonus etc.	563.34	638.11
Company's Contribution to Provident and Other Funds	60.11	53.05
Reimbursement of Expenses on Personnel Deputed to the Company	193.54	252.73
Payment to Contractors	16.42	50.13
Staff Welfare Expenses	58.25	119.26
Total	**891.67**	**1,113.29**

Note 24 (b) : Finance Cost

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Interest on Lease liability	72.89	81.50
Total	**72.89**	**81.50**

i **The Company has recognised the following amount under the head "Company's Contribution to Provident Fund and Other Funds"**

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Provident Fund	41.42	28.21
Gratuity Fund	18.69	4.99
Total	**60.11**	**33.20**

Update for the New Accounting Standard: IndAS 116 'Leases'

In accordance with Modified retrospective method of adoption, the company applied Ind AS 116 at the date of initial application date ie April 1, 2019 and the cumulative impact of the standard has been charged to the Retained Earnings net of deferred taxes. Accordingly, the comparative information in these Consolidated Financial Statements has been not been restated. The impact of the new standard in the Group's Financial Statement is summarised and set out below.

At March 31, 2021

Right-of-use assets of ₹ 132.97 Lakh were recognised and presented separately in the Group statement of financial position.
Lease liabilities of ₹ 683.00 Lakh were recognised and presented separately in the Group statement of financial position.
Net deferred tax liabilities decreased by ₹ 171.91 Lakh because of the deferred tax impact of the changes in assets and liabilities.
The net effect of these adjustments increased the Group's net liabilities by ₹ 550.03 Lakh.

Note 25 : Other Operating and General Expenses

i **Operating Expenses consist of the following**

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Linen and Room Supplies	20.11	50.17
Catering Supplies	29.49	38.41
Other Supplies	0.64	1.68
Fuel, Power & Light	176.39	286.99
Repairs to Buildings	38.26	73.32

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Repairs to Machinery	76.72	120.04
Repairs to Others	11.15	23.27
Linen and Uniform Washing and Laundry Expenses	20.11	55.35
Payment to Orchestra Staff and Artistes and Others	33.25	55.65
Guest Transportation	0.30	6.81
Travel Agent's Commission	38.36	63.26
Credit/Debit Card Commission	14.44	27.35
Other Operating Expenses	19.87	109.00
Total	**479.11**	**911.29**

ii **General Expenses consist of the following:**

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Rent	29.61	14.99
Lease & License Fees	0.08	3.32
Rates & Taxes	170.24	206.76
Insurance	16.88	10.94
Advertising & Publicity	71.00	221.69
Printing & Stationery	7.84	12.65
Passage & Traveling	1.22	1.66
Provision for Doubtful Debts	0.49	-
Professional Fees	70.84	36.28
Support Services	20.71	29.98
Expenditure on Corporate Social Responsibility	7.56	6.77
Loss on Sale of Fixed Assets	0.85	-
Operating/Management Fees	88.39	197.24
Central Reservation System/Customer Information System	27.52	78.89
Other Expenses	29.19	59.92
Payment Made to statutory Auditors	2.50	2.28
TOTAL	**544.92**	**884.90**
GRAND TOTAL (i+ii)	**1,024.03**	**1,796.20**

Footnotes:

(i) Expenses recovered from other parties:-

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Fuel, Power and Light	4.54	4.97
Rent	1.01	0.89
TOTAL	**5.55**	**5.86**

(ii) Payment Made to Statutory Auditors:-

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
As Auditors	2.10	1.78
As Tax Auditors	0.40	0.45
Tax on above (Net of Credit availed)	-	0.05
TOTAL	**2.50**	**2.28**

Note 26 (a) : Total lease liabilities are analysed as follows:

₹ in Lakhs

Denominated in the following currencies	March 31, 2021	March 31, 2020
Rupees	683.00	772.11
Total	**683.00**	**772.11**
Analysed as:		
Current	110.96	89.11
Non Current	572.04	683.00
Total	**683.00**	**772.11**

Note 26 (b) : Amount recognised in profit or loss

₹ in Lakhs

The following amount were recognised as expense in the year	March 31, 2021	March 31, 2020
Depreciation of right-of-use assets	26.58	26.65
Expense relating to lease payment	(162.00)	(162.00)
Interest on lease liabilities	72.89	81.50
Total recognised in the P&L statement	**(62.53)**	**(53.85)**

₹ in Lakhs

Maturity analysis	March 31, 2021	March 31, 2020
Less than 1 Year	174.00	162.00
Later than 1 year but not later than 5 years	696.00	870.00
Total	**870.00**	**1032.00**

Note 27: Earning Per Equity share

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Profit after Tax	(550.70)	332.10
No. of Equity Shares	8400000	8400000
Basic and Diluted	(6.56)	3.95

Note 28: Employee Benefits

The company has taken group gratuity scheme with Life Insurance Corporation (LIC Ultimate (94-96)) and annual contributions are made to the fund administrated by Life Insurance Corporation. Every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

Relevant information is disclosed below:-

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
(i) Amount to be recognised in Balance Sheet and movement in net liability		
Present Value of Funded obligation	158.70	161.33
Fair Value of Plan Assets	122.82	108.15
Net (Assets) / Liability	**35.87**	**53.18**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

Particulars		March 31, 2021	March 31, 2020
(ii)	**Expense recognised in Statement of Profit & Loss**		
	Current service cost	11.69	10.57
	Past service cost	-	-
	Interest cost	2.87	1.43
	Expected return on plan assets		
	(Gains)/ losses on settlement		
	Total	**14.56**	**12.00**
(iii)	**Expense recognised in Other Comprehensive Income**		
	Opening amount recognized in OCI outside P&L account	59.60	47.29
	Remeasurements due to:		
	Changes in financial assumptions	(7.66)	(7.75)
	Changes in demographic assumptions	-	3.09
	Experience adjustments	(10.60)	3.54
	Actual return on plan assets less interest on plan assets	(0.90)	13.43
	Adjustment to recognise the effect of asset ceiling		-
	Total	**40.44**	**59.60**
(iv)	**Reconciliation of Defined Benefit Obligation:**		
	Opening Defined Benefit Obligation	161.33	141.31
	Additions due to acquisitions		
	Current service cost	11.69	10.57
	Past service cost	-	-
	Interest cost	9.79	10.57
	Contribution by plan participants		
	Remeasurements due to actuarial loss/ (gain) arising from		
	Changes in financial assumptions	(7.66)	(7.75)
	Changes in demographic assumptions	-	3.09
	Experience adjustments	(10.60)	3.54
	Actual return on plan assets less interest on plan assets		
	Adjustment to recognise the effect of asset ceiling		
	Benefits Paid	(5.85)	-
	Liabilities assumed/ (settled)*		
	Liabilities extinguished on Settlements		
	FCTR-Defined Benefit Obligation		
	Closing Defined Benefit Obligation	**158.70**	**161.33**
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Opening of Fair Value of Plan Assets	108.15	112.43
	Employer contributions	12.71	-
	Interest on plan assets	6.92	9.14
	Remeasurements due to:		
	Actual return on plan assets less interest on plan assets	0.90	(13.43)
	Contribution by Employer		
	Contribution by plan participants		
	Benefits Paid	(5.85)	
	Assets acquired/ (settled)*		
	Assets distributed on Settlements		

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
FCTR		
Closing of Fair Value of Plan Assets	122.82	108.15
Expected Employer's contribution next year		
* On account of business combination or intra group transfer		
(vi) Acturial Assumptions		
Discount rate(p.a.) in %	6.8%	6.7%
Salary Escalation rate (p.a.) in %	4.0%	4.5%

₹ in Lakhs

Name of the fund	March 31, 2021		March 31, 2020	
	Unquoted	%	Unquoted	%
(vii) Disaggregation of Plan Assets				
LIC Ultimate policy	122.82	100%	108.15	100%
Total	**122.82**		108.15	

₹ in Lakhs

Particulars	March 31, 2021		March 31, 2020	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
(viii) Sensitivity Analysis				
Retiring Gratuity Benefit Plan	6.8%	4.0%	6.7%	4.5%
Impact of increase in 50 bps on DBO	-3.40%	3.70%	-3.60%	3.89%
Impact of decrease in 50 bps on DBO	3.62%	-3.51%	3.83%	-3.69%

29 C.I.F. Value of Imports

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Stores, Supplies and Spare Parts for Machinery	-	-
Capital Goods	-	9.95
Expenses in Foreign Exchange		

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Advertising	1.10	3.92
Professional and Consultancy Fees	10.18	10.11
Membership Fees	6.49	8.25
Others	23.77	36.64

Earnings in foreign Exchange

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Rooms, Restaurants, Banquets and Other operating Income	85.35	866.36

The Earnings in foreign exchange, as reported above, are on the basis of actual receipts during the year, as certified by the Management

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

30 Capital Commitments

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for.		
	-	31.77

31 Contingent Liabilities

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
1- Property Tax	1,316.00	1,240.47
2- Income Tax	185.69	214.00

1- Property tax demand for various years aggregating to INR 2,041 Lakhs had been raised in respect of the hotel up to March 31, 2021. While admitted tax was paid for each year, the demand raised post 2010 till March 31, 2015 was under challenge along with NDMC Bye Laws, 2009. The Hon'ble Supreme Court vide its Order dated January 22, 2019 has declared the NDMC Bye Laws, pursuant to which the property tax demand for all these years were held as ultra vires the NDMC Act and hence quashed. Subsequently NDMC sent notice for re-assessing property tax from the year 2010-11 to 2020-21 at the same rateable value which has been challenged before the Hon'ble High Court of New Delhi and matter is sub-judice. The Company has decided to continue with a provision of INR 725 lakhs provided in the books up to March 31, 2021.

2- In respect of income tax matters, appeals have been filed by the Income Tax Dept against Orders in favour of the company ; summary given below:

Year to which demand relates	Amount involved ₹ in Lakhs	Forum where dispute is pending
A.Y.-2013-14	52.59	ITAT, Delhi
A.Y.-2014-15	62.22	
A.Y.-2015-16	70.88	

32 Income Tax Disclosures (Ind AS 12)

(a) Income Tax recognised in Profit or loss:

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Current Tax		
In respect of the current year	-	99.49
In repect of earlier years	8.37	(0.44)
	8.37	**99.05**
Deferred Tax		
In respect of the current year	(190.82)	64.22
Adjustment to deferred tax attributable to changes in tax rates and laws	-	-
	(190.82)	**64.22**
Total tax expense recognised in the current year relating to continuing operations	(182.45)	163.27

(b) Reconciliation of tax expense with the effective tax

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Profit before tax from continuing operations (a)	(733.1531)	495.38
Income tax rate as applicable (b)	25.17%	25.17%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(184.52)	124.68
Permanent tax differences due to:		
Corporate social responsibility expenditure	1.90	1.70
On account of bonus disallowance	(11.44)	3.58
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets		
Minimum wage incremental provision Reversed which disallowed in PY.		-
Others	3.23	-
Effect on deferred tax balances due to change in rate from 27.82% to 25.17% (effective from April 1, 2019)	-	33.75
	(190.82)	**163.71**
Prior year taxes as shown above	8.37	(0.44)
Income tax expense recognised in profit or loss (relating to continuing operations)	**(182.45)**	**163.27**

(c) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Deferred Tax assets	557.19	374.30	216.92
Deferred Tax liabilities	(76.49)	(84.43)	(48.16)
Total	**480.69**	**289.87**	**168.75**

(d) Reconciliation of Deferred Tax Asset and Deferred Tax Liability

₹ in Lakhs

2020-21	Opening Balance	Impact on transition to Ind AS 116 adjusted in retained earnings	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/ assets in relation to:				
Property. Plant & equipment and Intangible Assets	(44.28)		1.25	(43.03)
IndAS-116 Right to Use Assets	(40.15)		6.68	(33.47)
Provision for Employee Benefits	18.62		(4.87)	13.74
Provision for Doubtful Debts	4.06		0.13	4.19
IndAS-116 Lease Liability	194.32		(22.43)	171.90
DTA - Unabsorbed Tax Losses	-			184.89
Provision for Contingencies	157.30		25.17	182.47
Total	**289.88**	**-**	**5.92**	**480.69**
Capital Gain				-
Total Deferred Tax Assets	**289.88**	**-**	**5.92**	**480.69**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

2019-20	Opening Balance	Impact on transition to Ind AS 116 adjusted in retained earnings	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/ assets in relation to:				
Property. Plant & equipment and Intangible Assets	(48.16)		3.88	(44.28)
IndAS-116 Right to Use Assets	-	(51.78)	11.63	(40.15)
Provision for Employee Benefits	19.94		(1.32)	18.62
Provision for Revision in Minimum Wages	45.85		(45.85)	-
Provision for Doubtful Debts	5.07		(1.01)	4.06
IndAS-116 Lease Liability	-	237.12	(42.80)	194.32
Provision for Contingencies	146.05		11.25	157.30
Total Deferred Tax Assets	**168.75**	**185.34**	**(64.22)**	**289.87**

33 Financial Instruments (Ind AS 109)

(a) Financial Assets & Liabilities

₹ in Lakhs

Particulars	March 31, 2021			March 31, 2020		
	FVOCI	Amortised cost	Total	FVOCI	Amortised cost	Total
Financial assets:						
Investments						
Equity Investment						
- External Companies	0.67	-	0.67	0.74	-	0.74
Trade Receivables	-	63.55	63.55	-	135.09	135.09
Cash and cash equivalents	-	1,137.40	1,137.40	-	1,797.91	1,797.91
Loans	-	550.00	550.00	-	550.00	550.00
Other financial assets*	-	140.17	140.17	-	152.31	152.31
Total - Financial Assets	**0.67**	**1,891.13**	**1,891.79**	**0.74**	**2,635.30**	**2,636.05**
Financial liabilities:						
Trade Payables including capital creditors		392.32	392.32		420.90	420.90
Other financial liabilities		78.46	78.46		138.98	138.98
Total - Financial Liabilities	**-**	**470.78**	**470.78**	**-**	**559.88**	**559.88**

₹ in Lakhs

As of March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.67	-	-	0.67
Unquoted equity investment				
- Taj Air Limited	180.00	-	-	180.00
Total	**180.67**	**-**	**-**	**180.67**

₹ in Lakhs

As of March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.74	-	-	0.74
Unquoted equity investment				
- Taj Air Limited	156.88	-	-	156.88
Total	157.62	-	-	157.62

(c) Contractual maturity of financial liabilities:

₹ in Lakhs

March 31, 2021	Due in 1st year
Non-derivative financial liabilities:	
Trade and other payables	392.32
Other financial liabilities	78.46
Total	**470.78**

₹ in Lakhs

March 31, 2020	Due in 1st year
Non-derivative financial liabilities:	
Trade and other payables	420.90
Other financial liabilities	138.98
Total	**559.88**

Note 34 : IND AS 115 'Revenue from Contracts with Customers'

The Company revenue primarily comprises of Revenue from Hotel operations, and other miscellaneous income as tabulated below.

₹ in Lakhs

CONTRACT WITH CUSTOMERS	March 31, 2021	March 31, 2020
1 **Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.**		
Revenue from operations		
Revenue from contract with customers		
a) Room Revenue, Food & Beverages and Banquets	1,355.17	3,725.45
b) Other revenue from contract with customers	112.37	174.73
	1,467.54	**3,900.18**
Other operating revenue		
a) Export Incentive	(3.53)	39.57
b) Other revenue	-	-
	(3.53)	39.57
Total Revenue from operations	**1,464.01**	**3,939.75**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

CONTRACT WITH CUSTOMERS		March 31, 2021	March 31, 2020
2	**Disaggregate Revenue:** The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:		
	Revenue based on product and services		
	Revenue from contract with customers		
	a) Room Revenue	650.41	1,821.52
	b) Food & Beverages and Banquets	704.77	1,903.93
	c) Other revenue from contract with customers	124.77	200.35
	Other Operating Revenue		
	a) Export Incentives	(3.53)	39.57
	b) Other revenue	-	-
3	**The Company derives its revenue from the transfer of goods and services at a point of time in its major service lines**		
4	**Contract balances**		
	Advance Collections, deposits from customer		
	Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/ restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.		
	At April	(67.61)	(94.12)
	At March	(1.60)	(67.61)

Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue within the same operating cycle.

35 Related Party disclosures

a) The names of Related Parties of the Company are as under

(i) Company having Significant Influence

Tata Sons Ltd.

(including subsidiaries and JV of an entity)

(ii) Holding Company

The Indian Hotels Company Ltd.

(iii) Fellow Subsidiaries Company

Domestic:-

Ideal Ice & Cold Storage Company Limited1

KTC Hotels Limited

Roots Corporation Limited

Piem Hotels Limited

Taj Trade and Transport Company Limited

Inditravel Limited

Northern India Hotels Limited

Taj Enterprises Limited

Benares Hotels Limited

Luthria & Lalchandani Hotels & Properties Pvt. Ltd.

Skydeck Properties and Developers Private Limited

Sheena Investments Private Limited

ELEL Hotels & Investments Limited

International:-

(iv) Associates & Joint Ventures of Holding Company

Domestic:-

Taida Trading & Industries Ltd.

Oriental Hotels Ltd.

Taj Madurai Ltd.

Taj Sats Air Catering Limited

Taj Madras Flight Kitchen Private Limited

Taj Karnataka Hotels and Resorts Limited

Taj Kerala Hotels and Resorts Limited

Kaveri Retreats & Resorts Limited

TajGVK Hotels and Resorts Limited

Taj Safaris Limited

Zarrenstar Hospitality Private Limited

International:-

TAL Lanka Hotels PLC

Lanka Island Resorts Ltd.

BJETS Pte. Ltd. (Singapore)

TAL Hotels & Resorts Limited

(v) Key Management Personnel

Mr. Rajinder Kumar

Mr. Virinder Kumar

a) **The names of Related Parties of the Company are as under**

Taj International Hotels (H.K.) Limited
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
IHMS Hotels (SA) (Proprietary) Limited
United Overseas Holding Inc.
PIEM International Hotels (H.K.) Limited

Mr. Narinder Kumar

(vi) Firms/ companies in which key Management personnel are interested
New Delhi Hotels Limited
Digvijay Finances Pvt. Ltd.
United Finances & Agencies Pvt. Ltd.

35(b) Details of related party transaction during the Year ended 31.03.2021 and outstanding balances as at 31.03.2021

₹ in Lakhs

Particulars	Company having Significant Influence	Holding Company	Key Management Personnel	Fellow Subsidiaries	Associates & Joint Ventures of Holding Co.	Key Management Personnel interested
Dividend Paid	-	46.20	20.90	-	-	3.02
Operating Fees Paid / Provided	-	88.40	-	-	-	-
Advertisement/CRS & CIS Paid / Provided	-	55.25	-	-	-	-
Purchase of goods & Services	20.96	1.23	-	-	-	-
Sale of goods & Services	0.74	16.87	-	-	-	0.73
Directors Remuneration	-	-	93.43	-	-	-
Trade Receivables	0.16	-	-	-	-	-
Trade Payables	2.07		-	-	-	-
Receivable Due on Current A/c	-	-	-	1.23	-	-
Payable Due on Current A/c	-	50.14	-	-	-	-
ICD Placed	-	-	-	550.00	-	-
Interest Recoverable	-	-	-	5.99	-	-

35(c) Statement of Material Transactions

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Company having Significant Influence		
Tata Consultancy Services		
Purchase of goods & services	20.96	43.54
Trade Payable	2.07	-
Sale of goods & services	0.74	25.92
Trade Receivable	0.16	2.98
Holding Company		
The Indian Hotels Company Limited		
Operating/Licence Fee Paid	88.40	193.43
Advertisement/Brand Cost/CRS/CIS Paid	55.25	154.75
Purchase of goods & services	1.23	26.78
Sale of goods & services	16.87	-
Payable due on current account	50.14	45.22
Dividend Paid	46.20	46.20

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Remuneration to Key Management Personnel		
Mr. Rajnder Kumar		
Remuneration	33.80	34.59
Dividend Paid	6.52	6.52
Mr. Virinder Kumar		
Remuneration	31.16	32.25
Dividend Paid	6.52	6.52
Mr. Narinder Kumar		
Remuneration	28.46	30.11
Dividend Paid	7.86	7.86
Fellow Subsidiaries		
PIEM Hotels Limited		
Sale of goods & services		
Receivable due on current account	0.40	0.47
Payable due on current account		
Banaras Hotels Limited		
Receivable due on current account	0.83	2.99
ICD Placed	550.00	550.00
Interest Recoverable	5.99	5.31
Interest earned on ICD placed	62.01	72.96
Key Management Personnel interested		
New Delhi Hotels Ltd.		
Sale of goods & Services	0.73	0.86
Dividend Paid	3.02	3.02

36 Impact of COVID-19

On March 11, 2020 the World Health Organization declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple ‘lock-downs’ across the country from March 22, 2020. Lockdown extended till July 31, 2020 and was than relaxed in a phased manner. During this period all airlines, road and railway travel, hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities & retail outlets etc were closed/ allowed to open in a limited manner.

The hotel business has been severely impacted from start of the financial year 2020-21. The Delhi Government announced opening of hotels and resturants from July 31, 2020 with certain restrictions. The company is currently operating the hotel at partial capacity & it will be fully operational after the lockdown has been completed lifted. The total impact on business is as below:

₹ in Lakhs

PARTICULARS	March 31, 2021
Room Income	1,276.04
Food & Beverage Income	1,316.20
Other Income - F&B	59.50
Other Income -Misc	189.86
Total Impact on turnover	**2,841.59**

The company has taken all necessary measures to control costs & rationalise resources and is taking initiatives to uplift revenue. The company is also holding back on discretionary spending and is planning other cost optimization measures.

The company has assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, trade receivables, investments, inventories and other current assets appearing in the financial statements of the company. In developing the assumptions and estimates relating to the future uncertainties in the economic condition because of the 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.

37 Figures of the previous year have been regrouped / recast wherever necessary.

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants

FRN 000033N

Virender Kumar
Director
DIN 00053909

Rohit Khosla
Director
DIN 07163135

Harsh Raj Malik
Company Secretary

Vipin Bali
Partner
M. No.083436

Date: April 22, 2021
Place: New Delhi

Independent Auditor's Report

To The Members of Skydeck Developers and Properties Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of SKYDECK DEVELOPERS AND PROPERTIES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) In the case of Balance Sheet, the state of affairs of the Ind AS Company as at March 31, 2021;

(ii) In the case of the Statement of Profit and Loss including other comprehensive income, of the loss for the period ended on that date;

(iii) In case of the Statement of Cash Flows, of the cash flows for the period ended on that date;

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together along with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the information other than the Ind AS Financial Statements and Auditor's Report thereon. The Other Information comprises the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein; we are required to communicate the matters to those charged with governance. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are also responsible for overseeing the company’s financial reporting process.

Auditor’s responsibility on the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report (Contd.)

To The Members of Skydeck Developers and Properties Private Limited

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditor's Report) Order (CARO), 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(ii) As required by sub-section (3) of section 143 of the Act we, report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, The Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS Financial Statements comply with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year, therefore the provisions of Section 197 read with Schedule V of the Act is not applicable.

Independent Auditor's Report (Contd.)

To The Members of Skydeck Developers and Properties Private Limited

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position in its Ind AS Financial Statements.

(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No. 003741
UDIN: 21003741AAAAGM9087

Mumbai, April 21, 2021

Annexure A

To the Independent Auditors' Report on the financial statements of Skydeck Developers and Properties Private Limited

Referred to in paragraph 7 of our Report of even date to the members of on the Ind AS Financial Statements of the company for the year ended March 31, 2021

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) The Company did not hold any fixed assets during the year under report. Accordingly, provisions of paragraph 3 clause (i)(a), (b) and (c) of the Order are not applicable.

(ii) The Company has no inventories and therefore, question of its physical verification does not arise.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, provided any guarantees and security to its directors and any other entities in which the directors are interested and therefore question of complying with the provisions of section 185 and 186 of Companies Act, 2013 does not arise.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

(vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added tax, Goods and Services Tax, Cess and any other statutory dues, as applicable, with appropriate authorities in India. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) To the best of our knowledge and belief and according to the information and explanations given and from the records made available to us, there are no disputed amounts in case of dues of Income Tax, Sales Tax, Service Tax, Duty of Custom or Duty of Excise, Value added tax, Goods and Services Tax and Cess which are unpaid as of March 31, 2021.

(viii) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not availed of any loans from any financial institutions or bank or debenture holder.

(x) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, by its officers or employees nor the same has been noticed or reported during the course of our audit. We have also not been informed of any such instance by the Management.

(xiii) According to the records of the Company examined by us and as per the information and explanations given to us, all the transactions with the related party are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards-Refer Note 26.

Annexure A (Contd.)

To the Independent Auditors' Report on the financial statements of Skydeck Developers and Properties Private Limited

(xv) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we have not reported on item nos. (ix), (xi), (xii), (xiv) and (xvi) of (CARO), 2016 as the same are not applicable to the company.

For **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No. 003741
UDIN: 21003741AAAAGM9087

Mumbai, April 21, 2021

Annexure B

To the Independent Auditors' Report on the financial statements of Skydeck Developers and Properties Private Limited

Referred to in paragraph 8(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Ind AS Financial Statements of Skydeck Properties and Developers Private Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Ind AS Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Skydeck Properties and Developers Private Limited** as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Annexure B (Contd.)

To the Independent Auditors' Report on the financial statements of Skydeck Developers and Properties Private Limited

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No. 003741
UDIN: 21003741AAAAGM9087

Mumbai, April 21, 2021

Balance Sheet As at March 31, 2021

₹ Lakhs

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Financial assets			
Investments	3	52,861.00	52,861.00
Advance income tax (net)		7.11	5.81
		52,868.11	**52,866.81**
Current assets			
Financial assets			
Trade receivables	4	9.29	45.77
Cash and cash equivalents	5	69.87	77.75
Other financial assets	6	0.07	0.09
Other current assets	7	0.26	-
		79.49	**123.61**
Total		**52,947.60**	**52,990.42**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	89,303.22	89,303.22
Other equity	9	(44,345.64)	(44,357.41)
Total equity		**44,957.58**	**44,945.81**
Current Liabilities			
Financial liabilities			
Trade payables	10		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		0.83	34.71
Other financial liabilities	11	7,988.62	8,005.38
Other current liabilities	12	0.57	4.52
		7,990.02	**8,044.61**
Total		**52,947.60**	**52,990.42**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No: 102082W

For and on behalf of the Board

Damji Merchant
Partner
Membership No. 003741

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Mumbai, April 21, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ Lakhs

	Note	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations	13	125.41	58.12
Other income	14	2.48	3.54
Total Income		**127.89**	**61.66**
EXPENSES			
Finance costs	15	-	-
Other operating and general expenses	16	111.92	54.24
Total Expenses		**111.92**	**54.24**
Profit/ (Loss) before exceptional items and tax		15.97	7.42
Exceptional items		-	-
Profit before tax		**15.97**	**7.42**
Tax expense			
Current tax		4.20	2.32
Deferred tax		-	-
Total		**4.20**	**2.32**
Profit after tax		11.77	5.10
Other comprehensive income, net of tax			
Other comprehensive income for the year		-	-
Total comprehensive Income for the year		**11.77**	**5.10**
Earnings per share:	17		
Basic and Diluted - (₹)		0.00	0.00
Face value per ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements			

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No: 102082W

For and on behalf of the Board

Damji Merchant
Partner
Membership No. 003741

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Mumbai, April 21, 2021

Statement of Changes in Equity as at March 31, 2021

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Other Equity			Total Equity
		Retained Earnings	Other Reserve	Total	
Balance as at April 1, 2019	**89,303.22**	**(43,973.58)**	**(388.93)**	**(44,362.51)**	**44,940.71**
Profit for the year ended March 31, 2020	-	5.10	-	5.10	5.10
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2020	**-**	**5.10**	**-**	**5.10**	**5.10**
Balance as at March 31, 2020	**89,303.22**	**(43,968.48)**	**(388.93)**	**(44,357.41)**	**44,945.81**
Profit for the year ended March 31, 2021	-	11.77	-	11.77	11.77
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2021	**-**	**11.77**	**-**	**11.77**	**11.77**
Balance as at March 31, 2021	**89,303.22**	**(43,956.71)**	**(388.93)**	**(44,345.64)**	**44,957.58**

Summary of Significant Accounting Policies - Note 2

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No: 102082W

For and on behalf of the Board

Damji Merchant
Partner
Membership No. 003741

R. H. Parekh
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DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Mumbai, April 21, 2021

Cash Flow Statement for the year ended March 31, 2021

₹ Lakhs

	Year Ended March 31, 2021	Year Ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	15.97	7.42
Adjustments For:		
Interest Income	(2.48)	(3.54)
Finance Costs	-	-
	(2.48)	**(3.54)**
Cash Operating Profit before working capital changes	13.49	3.88
Adjustments for (increase)/ decrease in operating assets:		
Trade receivables	36.22	(45.77)
	36.22	**(45.77)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	(54.59)	60.79
	(54.59)	**60.79**
Cash Generated from Operating Activities	**(4.88)**	**18.90**
Direct Taxes (Paid)/ Refunded	(5.24)	(5.62)
Net Cash Generated From Operating Activities (A)	**(10.12)**	**13.28**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	2.24	3.55
Bank Balances not considered as Cash and Cash Equivalents	-	-
Net Cash Generated/(Used) In Investing Activities (B)	**2.24**	**3.55**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	-	-
Short-term loans repaid	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(7.88)**	16.83
Cash and Cash Equivalents - Opening	77.75	60.92
Cash and Cash Equivalents - Closing	**69.87**	**77.75**
Summary of Significant Accounting Policies - Note 2		
The accompanying notes form an integral part of the Financial Statements		

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No: 102082W

For and on behalf of the Board

Damji Merchant
Partner
Membership No. 003741

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Mumbai, April 21, 2021

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 1. Background

Skydeck Properties and Developers Private limited ("Skydeck" or the "Company"), a private limited company was incorporated on May 13, 1998. The Company is primarily engaged in construction activities and providing Management Consultancy.

Note 2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013, on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Impairment of investments** The Company reviews its carrying value of investment in subsidiaries carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Income Taxes**: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognized when the Company's right to receive the amount is established.

d) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

e) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

f) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

g) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

h) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

i) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities
Classification
The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value

gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

j) Recent accounting pronouncements

There is no new notification which would have been applicable.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 : Investments

	Face Value	March 31, 2021		March 31, 2020	
		Holdings no. of Shares	₹ Lakhs	Holdings no. of Shares	₹ Lakhs
Trade Investments:					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At Cost)					
Sheena Investments Private Limited	10.00	10,00,000	23,200.00	10,00,000	23,200.00
ELEL Hotels and Investments Limited	10.00	13,09,896	29,660.95	13,09,896	29,660.95
Luthria and Lalchandani Hotels and Properties Private Limited	100.00	50	0.05	50	0.05
Total Investments			**52,861.00**		**52,861.00**

During the current year, all the shares held in ELEL have been pledged in favour of one of the lenders of the Ultimate Holding Company

Note 4 : Trade receivables

₹ Lakhs

	March 31, 2021	March 31, 2020
(Unsecured)		
Others:		
Considered good	9.29	45.77
Which have significant increase in credit risk	-	
Credit impaired	-	
	9.29	**45.77**

Note 5 : Cash and cash equivalents

₹ Lakhs

	March 31, 2021	March 31, 2020
Balances with bank in current account	9.87	17.75
Balances with bank in call and short-term deposit accounts (Original maturity less than 3 months)	60.00	60.00
	69.87	**77.75**

Note 6 : Other financial assets

₹ Lakhs

	March 31, 2021	March 31, 2020
Interest receivable		
Bank Deposits	0.07	0.09
	0.07	**0.09**

Note 7 : Other current assets

₹ Lakhs

	March 31, 2021	March 31, 2020
Indirect tax recoverable	0.26	-
	0.26	-

Note 8 : Share capital

₹ Lakhs

	March 31, 2021	March 31, 2020
Authorised Share Capital		
Equity Shares		
90,01,00,000 (Previous year - 90,01,00,000)	90,010.00	90,010.00
Equity Shares of ₹ 10/- each		
	90,010.00	**90,010.00**
Issued Share Capital		
89,30,32,160 (Previous year - 89,30,32,160)	89,303.22	89,303.22
Equity Shares of ₹ 10/- each		
	89,303.22	**89,303.22**
Subscribed and Paid Up		
89,30,32,160 (Previous year - 89,30,32,160)	89,303.22	89,303.22
Equity Shares of ₹ 10/- each, Fully Paid		
	89,303.22	**89,303.22**

Footnotes:

i) Reconciliation of the shares outstanding at the beginning and at the end of the year.

	March 31, 2021		March 31, 2020	
	No. of Shares	₹ Lakhs	No. of Shares	₹ Lakhs
As at the beginning of the year	89,30,32,160	89,303.22	89,30,32,160	89,303.22
As at the end of the year	89,30,32,160	89,303.22	89,30,32,160	89,303.22

ii) Shares held by Holding Company.

	No. of Shares March 31, 2021	No. of Shares March 31, 2020
Holding Company		
The Indian Hotels Company Limited ("IHCL")	89,30,32,160	89,30,32,160

iii) Shareholders holding more than 5% shares in the Company

	No. of Shares March 31, 2021	No. of Shares March 31, 2020
The Indian Hotels Company Limited	89,30,32,160	89,30,32,160
% of Holding	100 %	100 %

iv) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 9 : Other equity

₹ Lakhs

	March 31, 2021	March 31, 2020
Retained Earnings		
Opening	(43,968.48)	(43,973.58)
Add: Current year profit / (Loss)	11.77	5.10
Closing	**(43,956.71)**	**(43,968.48)**
Other Reserve		
Opening	(388.93)	(388.93)
Add: During the year	-	-
Closing	**(388.93)**	**(388.93)**
Total	**(44,345.64)**	**(44,357.41**

Note 10: Trade payables

₹ Lakhs

	March 31, 2021	March 31, 2020
Micro and Small Enterprises	-	-
Others		
Vendor Payables	-	33.88
Accrued expenses and others	0.83	0.83
	0.83	**34.71**

Footnotes:
There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".

Note 11: Other financial liabilities

₹ Lakhs

	March 31, 2021	March 31, 2020
Other Payables:-		
Related Parties (Refer footnote below)	7,987.62	8,004.38
Others		
	7,987.62	**8,004.38**
Other liabilities	1.00	1.00
	7,988.62	**8,005.38**

Footnote:
Include ₹ 7,980.06 Lakhs outstanding as at March 31, 2021 (₹ 7,980.06 Lakhs as at March 31, 2020) on account of purchase of ELEL Hotels and Investments Limited's Shares and payable to Lands End Properties Private Limited "LEPPL" which is subsequently amalgamated with The Indian Hotels Company Limited "IHCL".

Note 12: Other current liabilities

₹ Lakhs

	March 31, 2021	March 31, 2020
Statutory dues	0.57	4.52
	0.57	**4.52**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 13 : Revenue from operations

₹ Lakhs

	March 31, 2021	March 31, 2020
Other operating income	125.41	58.12
Total	**125.41**	**58.12**

Note 14 : Other income

₹ Lakhs

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Deposits with banks	2.22	3.49
Income tax refund	0.26	0.05
Total	**2.48**	**3.54**

Note 15 : Finance costs

₹ Lakhs

	March 31, 2021	March 31, 2020
Interest Expense at effective interest rate on borrowings	-	-
Interest on ICD borrowed	-	-
Total	**-**	**-**

Note 16 : General expenses

₹ Lakhs

	March 31, 2021	March 31, 2020
General expenses consist of the following:		
Rates and Taxes	0.09	0.07
Professional Fees	0.14	0.22
Brokerages and Commission	28.13	31.37
Business Support Cost	82.14	20.53
Audit Fees		
As statutory auditors	0.28	0.24
For other services	0.42	0.59
Other Expenses	0.72	1.22
Total	**111.92**	**54.24**

Note 17 : Earnings Per Share (EPS)

	March 31, 2021	March 31, 2020
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit after tax - (₹ Lakhs)	11.77	5.10
Weighted Average Number of Equity Shares	89,30,32,160	89,30,32,160
Face Value per Equity Share - (₹)	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	0.00	0.00

Note 18. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments approximate fair values due to interest charged at market rate in respect of borrowings and short term nature of account balances in respect of cash, receivables etc,.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 19. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company manages and monitors these risks primarily through its operating and financing activities.

Note 20. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

Note 21. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

₹ Lakhs

Particulars	Due within 1 year	
	March 31, 2021	March 31, 2020
Non-derivative financial liabilities		
Trade Payable	0.83	34.71
Other Financial liabilities	7,988.62	8,005.38
Total	**7,989.45**	**8,040.09**

Note 22. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

Note 23. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

Note 24. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

Note 25. Taxation

a) Reconciliation of tax expense with the effective tax

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Profit before tax	15.97	7.42
Income-tax rate as applicable @ 25.17% (previous year @ 25.17%)	4.02	1.87
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	0.18	0.31
DTA not created due to lack of reasonable certainty	-	-
	4.20	**2.18**
Prior year taxes	-	0.14
Income tax expense recognised in statement of profit & loss	**4.20**	**2.32**

b) The Company has not recognized any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns.

Note 26. Related Party Transactions

a. The names of related parties of the Company are as under:

Holding Company

- The Indian Hotels Company Limited ("IHCL")

Direct Subsidiary Companies

- Sheena Investments Private Limited ("Sheena")
- ELEL Hotels and Investments Private Limited ("ELEL")
- Luthria and Lalchandani Hotel and Properties Private Limited ("Luthria")

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

b. Transactions with related parties:

₹ Lakhs

Particulars of transactions	Holding Company		Subsidiary Companies	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables				
Current Account Due	**82.14**	**7,987.62**	-	-
	20.53	*8,004.38*	-	-
Receivables				
Trade receivables	**125.41**	**45.77**	-	-
	58.12	*45.77*	-	-

Footnote: Figures in Italics represent previous year figures.

Note 27. Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business

The Company has assessed the possible impact of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of Covid-19 may be different from that estimated as at the date of approval of these standalone statements and the Company will continue to closely monitor any material changes to future economic conditions.

The business has been impacted during the period on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year and a significant number of the Company's hotels had to be shut down. With the unlocking of restrictions, all the Company's hotels have been opened and business is expected to gradually improve across all hotels. After lifting of the restrictions, the Company witnessed some signs of recovery of demand, and hotels especially in leisure destinations are doing better.

The Management is confident of securing additional financing, as required for the next 12 months to enable the Company to meet its debts and obligations as they fall due. Accordingly, the financial results of the Company have been prepared on a going concern basis.

Note 28. There are no foreign currency transactions during the current and previous year.

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No: 102082W

For and on behalf of the Board

Damji Merchant
Partner
Membership No. 003741

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Mumbai, April 21, 2021

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital ₹ Lakhs	Reserves & Surplus ₹ Lakhs	Total Assets ₹ Lakhs	Total Liabilities ₹ Lakhs	Investments ₹ Lakhs	Turnover ₹ Lakhs	Profit/ (Loss) before taxation ₹ Lakhs	Provision for taxation ₹ Lakhs	Profit/ (Loss) after taxation ₹ Lakhs	Proposed Dividend ₹ Lakhs	Effective shareholding (%)	Net Assets	PAT
	Indian															
1	Sheena Investments Private Ltd.	January 15, 2010	₹	100.00	190.67	293.64	2.97	39.85	13.33	11.54	3.36	8.18	-	100.00%	-	-
2	ELEL Hotels and Investments Ltd.	January 15, 2010	₹	282.09	55,272.44	61,421.45	5,866.92	0.93	19.15	(1,415.33)	-	(1,415.33)	-	85.72%	-	-
3	Luthria and Lalchandani Hotel and Properties Private Ltd.	February 18, 2008	₹	1.00	(5.01)	1.48	5.49	-	-	(0.43)	-	(0.43)	-	87.15%	-	-

Footnotes:

i) The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2021

ii) Names of subsidiaries which are yet to commence operations - None

Part "B" : Associates and Joint Ventures **Nil**

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Mumbai, April 21, 2021

Independent Auditor's Report

To the Independent Auditor's Report of Sheena Investments Private Limited

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the Indian Accounting Standards (Ind AS) financial statements of Sheena Investments Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to:

Note 2(b) to the financial statements para on "Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business", regarding the management's impairment assessment of non-current assets, investments and other current assets appearing in the financial statements of the Company as at March 31, 2021 being considered as unimpaired and recoverable based on its internal & external sources of information and estimates.

Our opinion is not modified in respect of the above matter.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (Contd.)

To the Members of Sheena Investments Private Limited

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) At this juncture, we are unable to comment whether the matter described in the Emphasis of Matter paragraph above, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. No remuneration has been paid by the Company to its directors during the year and accordingly reporting on compliance with provisions of Section 197 is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIE9374

Place of Signature: Mumbai
Date: April 23, 2021

Annexure A

To the Independent Auditor's Report of Sheena Investments Private Limited

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Sheena Investments Private Limited ("the Company") on the Ind AS financial statements as of and for the year ended March 31, 2021.

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

Annexure A (Contd.)

To the Independent Auditor's Report of Sheena Investments Private Limited

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause (xv) of the Order are not applicable.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of the Order are not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIE9374

Place of Signature: Mumbai
Date: April 23, 2021

Annexure B

To the Independent Auditor's Report of Sheena Investments Private Limited

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Sheena Investments Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure B (Contd.)
To the Independent Auditor's Report of Sheena Investments Private Limited

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIE9374

Place of Signature: Mumbai
Date: April 23, 2021

Balance Sheet as at March 31, 2021

₹ Lakhs

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Financial assets			
Investments	3	39.85	39.85
Advance income tax (net)		0.58	0.56
		40.43	**40.41**
Current assets			
Financial assets			
Trade receivables	4	0.93	0.90
Cash and cash equivalents	5	17.14	4.43
Bank balances other than cash and cash equivalents	6	225.00	225.00
Other financial assets	7	10.14	13.95
		253.21	**244.28**
Total		**293.64**	**284.69**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	100.00	100.00
Other equity	9	190.67	182.49
Total equity		**290.67**	**282.49**
Current Liabilities			
Financial liabilities			
Trade payables	10		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		1.39	1.36
Other financial liabilities	11	1.49	0.71
Other current liabilities	12	0.09	0.13
		2.97	**2.20**
Total		**293.64**	**284.69**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 23, 2021

Statement Of Profit And Loss for the year ended March 31, 2021

₹ Lakhs

	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
INCOME			
Revenue from operations	13	1.00	1.00
Other income	14	12.33	14.32
Total Income		**13.33**	**15.32**
EXPENSES			
Other operating and general expenses	15	1.79	1.81
Total Expenses		**1.79**	**1.81**
Profit/ (Loss) before exceptional items and tax		**11.54**	**13.51**
Exceptional items		-	-
Profit/ (Loss) before tax		**11.54**	**13.51**
Tax expenses			
Current tax		3.36	4.29
Deferred tax		-	-
Total		**3.36**	**4.29**
Profit/ (Loss) after tax		**8.18**	**9.22**
Other comprehensive income, net of tax			
Other comprehensive income for the year		-	-
Total comprehensive Income for the year		**8.18**	**9.22**
Earnings per share:	16		
Basic - (₹)		0.82	0.92
Diluted - (₹)		0.82	0.92
Face value per ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements			

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 23, 2021

Statement of Changes in Equity as at March 31, 2021

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus	Total
		Retained Earnings	
Balance as at April 1, 2019	100.00	173.27	273.27
Profit for the year ended March 31, 2020	-	9.22	9.22
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2020	-	9.22	9.22
Balance as at March 31, 2020	**100.00**	**182.49**	**282.49**
Profit for the year ended March 31, 2021	-	8.18	8.18
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2021	-	8.18	8.18
Balance as at March 31, 2021	**100.00**	**190.67**	**290.67**
Summary of Significant Accounting Policies - Refer Note 2			
The accompanying notes form an integral part of the Financial Statements			

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 23, 2021

Cash Flow Statement for the year ended March 31, 2021

₹ Lakhs

	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash Flow From Operating Activities		
Profit Before Tax	11.54	13.51
Adjustments For:		
Interest Income	(12.33)	(14.32)
	(12.33)	**(14.32)**
Cash Operating Profit before working capital changes	(0.79)	(0.81)
Adjustments for (increase)/ decrease in operating assets:		
Trade Receivables	(0.03)	1.95
Other Current Assets	-	-
	(0.03)	**1.95**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	0.77	(7.72)
Other Liabilities		
	0.77	**(7.72)**
Cash Generated from Operating Activities	(0.05)	(6.58)
Direct Taxes (Paid)/ Refunded	(3.38)	(3.93)
Net Cash Generated From Operating Activities (A)	**(3.43)**	**(10.51)**
Cash Flow From Investing Activities		
Interest Received	16.14	0.37
Bank Balances not considered as Cash and Cash Equivalents	-	14.51
Net Cash Generated/(Used) In Investing Activities (B)	**16.14**	**14.88**
Cash Flow From Financing Activities		
	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	12.71	4.37
Cash and Cash Equivalents - Opening	4.43	0.06
Cash and Cash Equivalents - Closing	17.14	4.43

Summary of Significant Accounting Policies - Refer Note 2

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 23, 2021

Notes to the Financial Statements for the year ended March 31, 2021

Note 1 : Background

Sheena Investments Private Limited (the “Company”), a private limited company was incorporated on February 12, 1990. The Company is primarily engaged in the business of investment and also providing management consultancy.

Note 2 : Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013, on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Impairment of investments:** The Company reviews its carrying value of investment in subsidiaries carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management’s expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business**

  On March 11, 2020 the World Health Organization declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple ‘lock-downs’ across the country, from March 22, 2020 and extended upto April 30, 2021.

  The Company has assessed potential impact of Covid-19 on the carrying value of non-current assets, investments and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

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.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognized when the Company's right to receive the amount is established.

d) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

e) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

f) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are disclosed only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

g) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

h) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

i) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

j) Recent accounting pronouncements

a) New and amended standards and interpretation

- Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

- Ind AS 103 Business Combination - Detailed guidance on term ‘Business’ and ‘Business Combination’ along with providing an Optional test to identify concentration of Fair Value.
- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of these amendments has any material effect on the Company’s financial statements.

b) New standard notified but not effective

None.

Note 3 : Investments

	Face Value	March 31, 2021		March 31, 2020	
		Holdings As at	₹ Lakhs	Holdings As at	₹ Lakhs
Non Current Investments					
Trade Investments:					
Fully Paid Unquoted Equity Instruments					
Investments in Fellow Subsidiary Companies (At Cost)					
ELEL Hotels and Investments Limited	10	11,08,145	39.80	11,08,145	39.80
Luthria and Lalchandani Hotels and Properties Private Limited	100	50	0.05	50	0.05
			39.85		**39.85**

Footnote:
During the current year, all the shares held in ELEL have been pledged in favour of one of the lenders of the Ultimate Holding Company

Note 4 : Trade and other receivables

₹ Lakhs

	March 31, 2021	March 31, 2020
(Unsecured)		
Outstanding over six months:		
Considered good	-	-
Which have significant increase in credit risk	-	-
Credit impaired	-	-
Others:		
Considered good	0.93	0.90
Which have significant increase in credit risk	-	-
Credit impaired	-	-
	0.93	**0.90**

Note 5 : Cash and Cash Equivalents

₹ Lakhs

	March 31, 2021	March 31, 2020
Balances with bank in current account	17.14	4.43
	17.14	**4.43**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6 : Bank Balances Other than Cash and Cash Equivalents

₹ Lakhs

	March 31, 2021	March 31, 2020
Other Balances with banks		
Call and Short-term deposit accounts	225.00	225.00
	225.00	**225.00**
Less: Term Deposit with Bank maturing after 12 months from the Balance Sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current	-	-
	225.00	**225.00**

Note 7 : Other Financial Assets

₹ Lakhs

	March 31, 2021	March 31, 2020
Interest receivable		
Bank Deposits	10.14	13.95
Others	-	-
	10.14	**13.95**
On Current Account dues:		
Others	-	-
	-	-
	10.14	**13.95**

Note 8 : Share Capital

₹ Lakhs

	March 31, 2021	March 31, 2020
Authorised / Issues Share Capital		
Equity Shares		
10,00,000 (Previous year - 10,00,000)	100.00	100.00
Equity Shares of ₹ 10/- each		
	100.00	**100.00**
Subscribed and Paid Up		
10,00,000 (Previous year - 10,00,000)	100.00	100.00
Equity Shares of ₹ 10/- each, Fully Paid		
	100.00	**100.00**

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or bought back during the current and comparative periods.

ii) The ultimate Holiding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by Holding Company.

Name of the Company	No. of Shares March 31, 2021	No. of Shares March 31, 2020
Holding Company		
Skydeck Properties and Developers Private Limited	1,000,000	1,000,000

Name of the Company	No. of Shares March 31, 2021	No. of Shares March 31, 2020
iv) Shareholders holding more than 5% shares in the Company		
Skydeck Properties and Developers Private Limited	1,000,000	1,000,000
% of Holding	100 %	100 %

v) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 9 : Other Equity

₹ Lakhs

	March 31, 2021	March 31, 2020
Retained Earnings		
Opening Balance	182.49	173.27
Add: Current year profits	8.18	9.22
	190.67	**182.49**

Note 10: Trade Payables

₹ Lakhs

	March 31, 2021	March 31, 2020
Micro and Small Enterprises	-	-
Others		
Vendor Payables	-	-
Accrued expenses and others	1.39	1.36
	1.39	**1.36**

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the “Micro, Small and Medium Enterprises Development Act, 2006”.

Note 11: Other financial liabilities

₹ Lakhs

	March 31, 2021	March 31, 2020
Payables on Current Account dues:		
Related Parties	1.49	0.71
	1.49	**0.71**

Note 12 : Other non financial liabilities

₹ Lakhs

	March 31, 2021	March 31, 2020
CURRENT		
Statutory dues	0.09	0.13
	0.09	**0.13**

Note 13 : Revenue from Operations

₹ Lakhs

	March 31, 2021	March 31, 2020
Consultancy Fees	1.00	1.00
	1.00	**1.00**

Note 14 : Other Income

₹ Lakhs

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Deposits with banks	12.33	14.32
	12.33	**14.32**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 15 : General expenses

₹ Lakhs

	March 31, 2021	March 31, 2020
General expenses consist of the following:		
Rates and Taxes	0.09	0.07
Professional Fees	0.11	0.08
Audit Fees		
As statutory auditors	1.48	1.48
As Others services	0.06	0.06
Other Expenses	0.05	0.12
	1.79	**1.81**

Note 16 : Earnings Per Share "EPS"

₹ Lakhs

	March 31, 2021	March 31, 2020
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	8.18	9.22
Weighted Average Number of Equity Shares	10,00,000	10,00,000
Face Value per Equity Share	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	0.82	0.92

Note 17 : Fair Value of financial Instruments

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, bank fixed deposits, receivables etc. and approximate fair values due to the short term nature of these account balances.

Note 18 : Financial risk management objectives and policies

Financial instruments held by the Company, principally comprise of cash, bank fixed deposits, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Company.

Financial risk management of the Company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the Company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company manages and monitors these risks primarily through its operating and financing activities.

Note 19 : Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its investing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

Note 20 : Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

Note 21 : Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

Note 22 : Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The Company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

Note 23 : Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

Note 24 : Taxation

Reconciliation of tax expense with the effective tax

₹ Lakhs

	March 31, 2021	March 31, 2020
Profit before tax	11.55	13.51
Income-tax rate as applicable @ 25.17 % (previous year @ 25.17%)	2.91	3.40
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	0.45	0.46
	3.36	**3.86**
Prior Period taxes	-	0.43
Income tax expense recognised in statement of profit & loss	**3.36**	**4.29**

Note 25 : Capital Commitments

As at March 31, 2021, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2020: ₹ Nil Lakhs)

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 26 : Related Party Transactions

a. The names of related parties of the Company are as under:

Ultimate Holding Company

- The Indian Hotels Company Limited

Holding Company

- Skydeck Properties and Developers Private Limited

Subsidiary Companies

- ELEL Hotels and Investments Limited
- Luthria and Lalchandani Hotel and Properties Private Limited

b. Transactions with related parties:

₹ Lakhs

Particulars	Ultimate Holding Company		Subsidiaries	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables	**-**	**1.49**	**-**	**-**
	-	*0.71*	*-*	*-*
Receivables	**-**	**-**	**1.00**	**0.93**
	-	*-*	*1.00*	*0.90*

Footnote: Figures in Italics represent previous year figures.

Note 27 : There were no foreign currency transactions during the current and previous year.

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 23, 2021

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective shareholding
				₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Footnote
Names of subsidiaries which are yet to commence operations - None

Part "B" : Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Shares held by the company on the year end: No. of shares (Refer Note 3)	Shares held by the company on the year end: Amount of Investment	Shares held by the company on the year end: Extent of Holding	Networth attributable to shareholding as per latest audited Balance Sheet	Profit/ loss for the year: "Considered in Consolidation (to the extent of Group's effective shareholding)"	Profit/ loss for the year: Not Considered in Consolidation	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
					₹ Lakhs	%	₹ Lakhs	₹ Lakhs	₹ Lakhs		
	Associates										
	Indian										
1	**ELEL Hotels and Investments Limited (Refer Note (iii))**	March 31, 2021	January 15, 2010	11,08,145	39.80	39.28%	21,821.82	NA	NA	Note (ii)	Note (iii)

Notes:
i) Names of Associates/ Joint Venture which are yet to commence operations - None
ii) There is significant influence due to percentage(%) of share holding (more than 20%).
iii) The Company, being intermediate holding company, is exempted from preparing consolidated financial statement.

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 23, 2021

Independent Auditor's Report

To
The Members of **ELEL Hotels & Investments Limited**

REPORT ON THE AUDIT OF THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ELEL Hotels & Investments Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to:

Note 2(b) to the financial statements para on "Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business", regarding the management's impairment assessment of non-current assets, investments and other current assets appearing in the financial statements of the Company as at March 31, 2021 being considered as unimpaired and recoverable based on its internal & external sources of information and estimates.

Our opinion is not modified in respect of the above matter.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (Contd.)

Responsibilities of the Management and Those Charged with Governance for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor’s Report (Contd.)

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors’ Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) At this juncture, we are unable to comment whether the matter described in the Emphasis of Matter paragraph above, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

   (h) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by Section 197(16) of the Act, we report that the remuneration paid by the Company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIG5534

Place of Signature: Mumbai
Date: April 23, 2021

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of ELEL Hotels & Investments Limited ("the Company") on the Ind AS financial statements as of and for the year ended March 31, 2021.

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, plant and equipment).

(b) The Company has a regular program of verifying fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sub-lease deed provided to us, we report that, the title deeds of land taken on lease are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax(GST), Duty of customs, Excise duty and Value added tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statue	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	10.95	2016-17	Commissioner of Income Tax (Appeals)

Annexure A (Contd.)

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule 5 to the Companies Act, 2013.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause (xv) of the Order are not applicable.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of the Order are not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIG5534

Place of Signature: Mumbai
Date: April 23, 2021

Annexure B

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of ELEL Hotels & Investments Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure B (Contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIG5534

Place of Signature: Mumbai
Date: April 23, 2021

Balance Sheet as at March 31, 2021

₹ in Lakhs

Particulars	Note	March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	-	-
Right-of-use assets	4	73.04	74.54
Capital work-in-progress	3	4,718.28	4,718.28
Intangible assets	5	54,129.29	55,241.53
		58,920.61	**60,034.35**
Financial assets			
Investments	6 (a)	0.93	0.93
Other financial assets	9 (a)	1.02	1.02
Advance Income Tax		894.42	871.56
Other non-current assets	10	958.67	958.67
		60,775.65	**61,866.53**
Current assets			
Financial assets			
Investments	6 (b)	31.54	225.85
Cash and cash equivalents	7	552.22	8.52
Bank Balances other than Cash and Cash Equivalent	8	53.59	50.00
Other financial assets	9 (b)	8.45	560.26
		645.80	**844.63**
Total		**61,421.45**	**62,711.16**
Equity and liabilities			
Equity			
Equity share capital	11	282.09	282.09
Other equity	12	55,272.44	56,687.77
Total equity		**55,554.53**	**56,969.86**
Non-current liabilities			
Financial liabilities			
Lease Liabilities		75.84	75.92
		75.84	**75.92**
Current Liabilities			
Financial liabilities			
Lease Liabilities		0.08	0.07
Trade payables	13		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		13.13	14.36
Other financial liabilities	14	864.93	807.95
Provisions	15	1,535.96	1,466.20
Current tax provisions		3,376.57	3,376.57
Other current liabilities	16	0.41	0.23
		5,791.08	**5,665.38**
Total		**61,421.45**	**62,711.16**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369
UDIN: 21220369AAAAIG5534

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: April 23, 2021

Place: Mumbai
Date: April 23, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ in Lakhs

Particulars	Note	March 31, 2021	March 31, 2020
Income			
Other income	17	19.15	26.55
Total Income		**19.15**	**26.55**
Expenses			
Finance cost	18	7.49	7.51
Depreciation & Amortisation	3 / 4	1,113.74	1,116.69
Other operating and general expenses	19	313.25	328.26
Total Expenses		**1,434.48**	**1,452.46**
Profit/ (Loss) before exceptional items and tax		**(1,415.33)**	**(1,425.91)**
Exceptional items		-	-
Profit/ (Loss) before tax		**(1,415.33)**	**(1,425.91)**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total		**-**	**-**
Profit/ (Loss) after tax		**(1,415.33)**	**(1,425.91)**
Other comprehensive income			
other comprehensive Income for the period		-	-
Total comprehensive Income for the period		**(1,415.33)**	**(1,425.91)**
Earnings per share:	20		
Basic - (₹)		(50.17)	(50.55)
Diluted - (₹)		(50.17)	(50.55)
Face value per ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369
UDIN: 21220369AAAAIG5534

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: April 23, 2021

Place: Mumbai
Date: April 23, 2021

Statement of Changes in Equity as at March 31, 2021

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Total
		Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2019	282.09	16,415.23	70,749.87	(29,051.42)	58,113.68
Loss for the year ended March 31, 2020	-	-	-	(1,425.91)	(1,425.91)
Total Comprehensive Income for the year ended March 31, 2020	**-**	**-**	**-**	**(1,425.91)**	**(1,425.91)**
Balance as at March 31, 2020	**282.09**	**16,415.23**	**70,749.87**	**(30,477.33)**	**56,687.77**
Loss for the year ended March 31, 2020	-	-	-	(1,415.33)	(1,415.33)
Total Comprehensive Income for the year ended March 31, 2021	**-**	**-**	**-**	**(1,415.33)**	**(1,415.33)**
Balance as at March 31, 2021	**282.09**	**16,415.23**	**70,749.87**	**(31,892.66)**	**55,272.44**

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the financial statements
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Chartered Accountants
Firm Registration No: 003990S/S200018

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Cash Flow Statement for the year ended March 31, 2021

₹ in Lakhs

	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash Flow From Operating Activities		
Profit Before Tax	(1,415.33)	(1,425.91)
Adjustments For:		
Depreciation and Amortisation	1,112.24	1,115.19
Depreciation on Right-of-use-assets	1.50	1.50
Interest on lease liability	7.49	7.51
Unrealised gain on fair value of current investment	(0.89)	(13.27)
Profit on sale of current investment	(4.79)	(10.01)
Interest Income	(13.44)	(3.27)
Provision for Contingencies	69.76	69.75
	1,171.87	**1,167.40**
Cash Operating Profit before working capital changes	(243.46)	(258.51)
Adjustments for (increase)/ decrease in operating assets:		
Loans and advances	(0.53)	(0.29)
Other Current Assets	554.73	(554.73)
Other Non-Current Assets	-	-
	554.20	**(555.02)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	(1.23)	0.40
Other Liabilities	57.16	622.08
	55.93	**622.48**
Cash Generated from Operating Activities	366.67	(191.05)
Direct Taxes (Paid) / Refunded	(22.86)	(64.70)
Net Cash Generated From Operating Activities (A)	**343.81**	**(255.75)**
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	-	(11.40)
Purchase of current Investments	-	320.00
Sale of current Investments	199.99	-
Bank Balances not considered as Cash & Cash Equivalents	(3.59)	(50.00)
Interest Received	11.05	0.33
Dividend Received	-	-
Net Cash Generated/(Used) In Investing Activities (B)	**207.45**	**258.93**
Cash Flow From Financing Activities		
Payment of lease liabilities	(7.56)	(7.56)
Net Cash Generated/ (Used) In Financing Activities (C)	**(7.56)**	**(7.56)**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	543.70	(4.38)
Cash and Cash Equivalents - Opening	8.52	12.90
Cash and Cash Equivalents - Closing	552.22	8.52
Summary of Significant Accounting Policies	2	

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
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Notes to the Financial Statements for the year ended March 31, 2021

1. Background

ELEL Hotels & Investments Limited ("ELEL" or the "Company"), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956 on July 9, 1969.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value in use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic comparable recent transactions and other market conditions.

- **Impairment of investments** The Company reviews its carrying value of investment in subsidiary carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business**

  On March 11, 2020 the World Health Organization declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020 and extended upto April 30, 2021.

  The Company has assessed potential impact of Covid-19 on the carrying value of non-current assets, investments and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets.

c) Revenue recognition
Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognized when the Company's right to receive the amount is established.

d) Property, Plant and Equipment:
Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for temporary improvements which are depreciated fully the same year of capitalization.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

e) Intangible Assets:

Intangible assets includes lease acquisition rights and cost of acquired software Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year.

Lease acquisition rights are amortised from the acquisition date over the balance period of the lease.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

f) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

g) Foreign currency transactions

The functional currency of the Company is Indian rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

h) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

i) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

j) Leases:

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company’s Balance Sheet as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Company has opted not to apply the lease accounting model to leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities and

- payments for the principal and interest elements of recognised lease liabilities are presented within cash flows from financing activities

k) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Contingent liabilities are disclosed only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

l) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

m) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

n) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

o) Recent accounting pronouncements

a) New and amended standards and interpretation.

- Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'

- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.

- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.

- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.

- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

- Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

- Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

- Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of these amendments has any material effect on the Company's financial statements.

b) New standard notified but not effective.

None.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ in Lakhs

Particulars	Office Equipment	Total	Capital Work in Progress
Cost (Refer Footnote below)			
At April 1, 2019	5.19	5.19	4,718.28
Additions	2.95	2.95	-
Adjustment	-	-	-
Disposals/ Transfer	-	-	-
At March 31, 2020	**8.14**	**8.14**	**4,718.28**
Additions	-	-	-
Adjustments	-	-	-
Disposals/ Transfer	-	-	-
At March 31, 2021	**8.14**	**8.14**	**4,718.28**
Depreciation			
At April 1, 2019	5.19	5.19	-
Charge for the period	2.95	2.95	
Adjustments	-	-	-
Disposals	-	-	
At March 31, 2020	**8.14**	**8.14**	**-**
Charge for the year	-	-	-
Adjustments	-	-	-
Disposals	-	-	
At March 31, 2021	**8.14**	**8.14**	**-**
Net Block			
At March 31, 2020	**-**	**-**	**4,718.28**
At March 31, 2021	**-**	**-**	**4,718.28**

Footnote:

On transition to Ind AS, carrying value of all the tangible assets under the previous GAAP is considered as the deemed cost under Ind AS. All accumulated depreciations were accordingly adjusted from the cost as on April 1, 2015.

Note 4 : Right of use Assets

₹ in Lakhs

	Land	Total
At April 1, 2019		
Opening Balance	76.04	76.04
Additions	-	-
Deductions for the period	-	-
At March 31, 2020	**76.04**	**76.04**
Additions	-	-
Deductions for the period	-	-
At March 31, 2021	**76.04**	**76.04**
Depreciation		
At April 1, 2019	-	-
Opening Adjustements	-	-
Charge for the period	1.50	1.50
Deduction for the period	-	-
At March 31, 2020	**1.50**	**1.50**
Opening Adjustements		
Charge for the period	1.50	1.50
Deduction for the period	-	-
At March 31, 2021	**3.00**	**3.00**
Net Block		
At March 31, 2020	**74.54**	**74.54**
At March 31, 2021	**73.04**	**73.04**

Note 5 : Intangible Assets (Acquired)

₹ in Lakhs

	Leasehold property Rights	Total
Cost (Refer Footnotes below)		
At April 1, 2019	60,802.70	60,802.70
Additions	-	-
Adjustments	-	-
Disposals	-	-
At March 31, 2020	**60,802.70**	**60,802.70**
Additions	-	-
Adjustments	-	-
Disposals	-	-
At March 31, 2021	**60,802.70**	**60,802.70**
Amortisation		
At April 1, 2019	4,448.93	4,448.93
Charge for the period	1,112.24	1,112.24
Adjustments	-	-
Disposals	-	-
At March 31, 2020	**5,561.17**	**5,561.17**
Charge for the period	1,112.24	1,112.24
Adjustments	-	-
Disposals	-	-
At March 31, 2021	**6,673.41**	**6,673.41**
Net Block		
At March 31, 2020	**55,241.53**	**55,241.53**
At March 31, 2021	**54,129.29**	**54,129.29**

Footnote:

i On transition to Ind AS, carrying value of all the intangible assets under the previous GAAP is considered as the deemed cost under Ind AS. All accumulated amortisation was accordingly adjusted from the cost as on April 1, 2015.

ii Pursuant to the Scheme of Amalgamation dated April 1, 2006, all the assets and liabilities including the existing assets and liabilities of the Company were recorded by the Company at their respective fair values as on the appointed date i.e. April 1, 2006 determined by an independent Government approved valuer. This resulted into a gain of ` 70,652.96 Lakhs on fair valuation of leasehold land owned by the Company. As prescribed in the Scheme of Amalgamation and approved by the Honourable High Court, Mumbai the increase in book value arising on fair valuation of leasehold land of the Company has been credited to General Reserve.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6 : Investments

₹ in Lakhs

Non Current Investments	Face Value	March 31, 2021 Holdings no. of Shares	March 31, 2021 Amount	March 31, 2020 Holdings no. of Shares	March 31, 2020 Amount
a) Non Current Investments					
Trade Investments:					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At Cost)					
Luthria and Lalchandani Hotels and Properties Private Limited	100	900	0.82	900	0.82
			0.82		**0.82**
Others					
National Savings Certificates 'NSC' (Refer note below)			0.11		0.11
Footnote					
NSC pledged as security with Accounts Officer, State Excise, Mumbai					
			0.93		**0.93**

₹ in Lakhs

	March 31, 2021 Holdings no. of Shares	March 31, 2021 Amount	March 31, 2020 Holdings no. of Shares	March 31, 2020 Amount
b) Current Investments				
Investments in Mutual Fund Units				
Tata Liquid Fund Regular Plan - Growth	-	-	7,253	225.85
Tata Overnight Fund Plan - Growth	2,911	31.54		
		31.54		**225.85**

Note 7 : Cash and Cash Equivalents

₹ in Lakhs

	March 31, 2021	March 31, 2020
Cash on hand	0.02	0.03
Balances with bank in current account	12.20	8.49
Balances with bank in call and short term deposit account	540.00	-
(Original maturity less then 3 months)		
	552.22	**8.52**

Note 8 : Bank Balances other than Cash and Cash Equivalent

₹ in Lakhs

	March 31, 2021	March 31, 2020
Other Balances with banks		
Call and Short-term deposit accounts	-	-
Margin money deposits	53.59	50.00
	53.59	**50.00**

Term Deposit with Bank maturing after 12 months from the Balance Sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current.

Note 9 : Other Financial Assets

₹ in Lakhs

		March 31, 2021	March 31, 2020
a)	**Non Current**		
	Deposits with Public Bodies and Others at amortised costs		
	Public Bodies and Others	1.02	1.02
		1.02	**1.02**
b)	**Current**		
	Interest receivable	5.33	2.94
	Others (Please refer below footnote)	-	554.73
		5.33	**557.67**
	On Current Account dues:		
	Related Parties	3.12	2.59
	Others	-	-
		3.12	**2.59**
		8.45	**560.26**

Footnote:

The Company has got a credit in the previous year of Rs 61.64 lakhs in its Tax credit statement (26AS), gross amount of Rs.616.40 lakhs, in relation to the interest on an insurance claim for the 1993 Bombay bomb blast due to which the Searock property was also damaged. The matter was in litigation and has been settled in favour of the Company by the Honourable Supreme Court. Accordingly, receivable from Insurance company of Rs.554.76 lakhs (net of tax deducted at source) has been recognised by the Company by virtue of the Court Order dated Februray 8, 2019. As this insurance claims is payable to the erstwhile owners of the company/property, correspondingliability towards the same net of taxes thereupon have also been recognised. This money has been completely received and remitted to the beneficiary during the current year.

Note 10 : Other Assets

₹ in Lakhs

	March 31, 2021	March 31, 2020
Non Current		
Capital advances	-	-
Deposits with Government Authoritites	958.67	958.67
	958.67	**958.67**

Footnote:

This includes ` 954 Lakhs paid to Muncipal Coporation of Greater Mumbai “MCGM” in respect of a property tax matter which the Company has paid under protest.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 11 : Share Capital

₹ in Lakhs

	March 31, 2021	March 31, 2020
Authorised Share Capital		
Equity Shares		
30,00,000 (Previous year - 30,00,000)	300.00	300.00
Equity Shares of ₹ 10/- each		
	300.00	**300.00**
Issued Share Capital		
28,20,887 (Previous year - 28,20,887)	282.09	282.09
Equity Shares of ₹ 10/- each		
	282.09	**282.09**
Subscribed and Paid Up		
28,20,887 (Previous year - 28,20,887)	282.09	282.09
Equity Shares of ₹ 10/- each, Fully Paid		
	282.09	**282.09**

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or buy back during the current and comparative periods.

ii) The Ultimate Holding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by the Holding Company along with its subsidiaries and associates Companies are as below:

	No. of Shares March 31, 2021	No. of Shares March 31, 2020
Name of the Company		
Intermediate Holding Company		
Skydeck Properties and Developers Private Limited	1,309,896	1,309,896
Fellow Subsidiary Company		
Sheena Investments Private Limited	1,108,145	1,108,145
iv) Shareholders holding more than 5% shares in the Company		
Skydeck Properties and Developers Private Limited	1,309,896	1,309,896
% of Holding	46.44%	46.44%
Sheena Investments Private Limited	1,108,145	1,108,145
% of Holding	39.28%	39.28%
Excalibur Assets and Capital Management Pvt. Ltd	398,090	398,090
% of Holding	14.28%	14.28%

v) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proporation to their shareholding.

Note 12 : Other Equity

₹ in Lakhs

	March 31, 2021	March 31, 2020
Securities Premium		
Opening and Closing Balance	16,415.23	16,415.23
General Reserve		
Opening and Closing Balance	70,749.87	70,749.87
(Refer footnote (ii) to note 5)		
Retained Earnings		
Deficit at the beginning of the year	(30,477.33)	(29,051.42)
Add: Current year loss	(1,415.33)	(1,425.91)
Closing Retained Earnings	**(31,892.66)**	**(30,477.33)**
Reserves and Surplus Total	**55,272.44**	**56,687.77**

Note 13 : Trade Payables

₹ in Lakhs

	March 31, 2021	March 31, 2020
Trade payable to Micro and Small Enterprises	-	-
Others		
Vendor Payables	4.16	6.18
Accrued expenses and others	8.97	8.18
	13.13	**14.36**

Footnote:

The Company has not received any information from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) and hence disclosure, if any, relating to amounts unpaid as at the year-end together with interest paid / payable under the MSMED Act, have not been given.

Note 14 : Other Financial liabilities

₹ in Lakhs

	March 31, 2021	March 31, 2020
Other payables		
Related Parties	0.02	7.54
Others	857.87	793.37
	857.89	**800.91**
Deposits from others		
Unsecured	7.04	7.04
	7.04	**7.04**
	864.93	**807.95**

Note 15 : Provisions

₹ in Lakhs

	March 31, 2021	March 31, 2020
A) Short term provisions		
Provision for Contingencies (Refer Footnote (i))	1,535.96	1,466.20
Others	-	-
	1,535.96	**1,466.20**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Footnote:

(i) Provision for Contingencies include provisions for the following:

₹ in Lakhs

Particulars	Opening Balance	Addition	(Deletion)	Closing Balance
Disputed claims for taxes, levies and duties	1,248.50	262.34	192.58	1,318.26
	1,178.75	*262.33*	*192.58*	*1,248.50*
Disputes in respect of Employee settlement	217.70		-	217.70
	217.70		*-*	*217.70*
Total	**1,466.20**	**262.34**	**192.58**	**1,535.96**
	1,396.45	***262.33***	***192.58***	***1,466.20***

a) The above matters are under litigation/ negotiation and the timing of the cash flows cannot be currently determined.

b) Figures in italics are in respect of previous year.

Note 16 : Other non financial Liabilities

₹ in Lakhs

	March 31, 2021	March 31, 2020
Current		
Statutory dues	0.41	0.23
Others	-	-
	0.41	**0.23**

Note 17 : Other Income

₹ in Lakhs

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	-	-
Deposits with Bank	13.44	3.27
	13.44	**3.27**
Interest on Income Tax Refunds	-	-
Total	**13.44**	**3.27**
Profit on sale of current investment	4.79	10.01
Gain on Current Investments carried at fair value (unrealised)	0.89	13.27
Others	0.03	-
Total	**19.15**	**26.55**

Note 18 : Finance Cost

₹ in Lakhs

	March 31, 2021	March 31, 2020
Interest on Lease liability	7.49	7.51
Total	**7.49**	**7.51**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 19 : Other operating and general expenses

₹ in Lakhs

		March 31, 2021	March 31, 2020
(i)	**Operating expenses consist of the following:**		
	Fuel, Power and Light	3.61	3.73
	Repairs to Others	3.71	2.36
	Payment to security Agency	32.86	35.11
	Other Operating Expenses	0.81	1.13
	Total	**40.99**	**42.33**
(ii)	**General expenses consist of the following:**		
	Rent	69.74	69.74
	Rates and Taxes	188.75	185.35
	Printing and Stationery	-	0.54
	Professional Fees	7.47	23.71
	Directors' fees	1.42	1.77
	Payment made to Statutory Auditors (Refer Footnote (a))	4.66	4.72
	Other Expenses	0.22	0.10
		272.26	**285.93**
	Total	**313.25**	**328.26**

Footnotes:

₹ in Lakhs

		March 31, 2021	March 31, 2020
a)	**Payment made to Statutory Auditors:**		
	As auditors	4.13	4.13
	For other services	0.53	0.59
		4.66	**4.72**

Note 20 : Earnings Per Share (EPS)

₹ in Lakhs

	March 31, 2021	March 31, 2020
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	(1,415.33)	(1,425.91)
Weighted Average Number of Equity Shares	2,820,887	2,820,887
Face Value per Equity Share	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	(50.17)	(50.55)

Note 21 : Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, receivables etc., approximate fair values due to the short term nature of these account balances.

The current investments in Mutual Funds are valued and carried at the net asset value as published by respective Mutual Fund Houses.

Note 22 : Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

Note 23 : Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its investing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

Note 24 : Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

Note 25 : Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

Note 26 : Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

Note 27 : Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 28 : Taxation

a) Reconciliation of tax expense with the effective tax

₹ in Lakhs

	March 31, 2021	March 31, 2020
Profit / (Loss) before tax	(1,415.33)	(1,425.91)
Income-tax rate as applicable @ 26% (previous year @ 26%)	(367.99)	(370.74)
Effect of expenses that are not deductible in determining taxable profit	290.90	292.20
Effect of income that is exempt from taxation (like dividend income)	-	-
Others	(7.26)	(7.18)
Deferred tax asset not recognised in statement of profit & loss	84.35	85.72
Tax Expenses recognized in Profit & Loss	-	-

b) Deferred Tax

₹ in Lakhs

	March 31, 2021	March 31, 2020
Unabsorbed tax losses/depreciation for which no deferred tax asset has been recognized	1,014.35	1,353.30
Deferred tax asset not created @ 26 % (Previous year @ 26%)	263.73	351.86

Footnote:

a. The unabsorbed depreciation can be carried forward indefinitely and unabsorbed business losses can be carried forward for 8 years. Due to continuing losses, no deferred tax asset has been created on prudent basis.

Note 29 : Capital Commitments

As on March 31, 2021, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2020: ₹ Nil Lakhs)

Note 30 : The Company has issued bank guarantee of ₹ 50 lakhs (March 31,2020: ₹ 50 Lakhs) to Municipal Corporation of Greater Mumbai for certain development work in site for Solid Waste Management. The Company had deposited equivalent amount with the bank for the issuance of this guarantee.

Note 31 : Contingent liabilities

₹ in Lakhs

		March 31, 2021	March 31, 2020
a)	Income Tax Including interest)		
	(Demands raised under Income-tax Act, 1961 in respect of assessment years 1988-89, 1989-90, 1991-92, 1992-93, and 1996-97 where the matter is under appeal with High Court)	3,126.97	3,126.97
b)	Property tax		
	(Also refer note # 10 for amount paid under protest)	1,932.37	1,762.68

Note 32 : The Company was subjected to a search and seizure operation under section 132 of the Income-tax Act, 1961 on February 28, 2007. Assessment orders were issued on December 31, 2008 for the assessment years 2001-02 to 2007-08 raising an aggregate demand of ₹ 3200 Lakhs and penalty proceedings initiated. The Company has appealed against the said order and had received the favourable orders from first/second appellate authority and these matters are currently pending at the Hon'ble High Court of Delhi. Considering the developments, as a matter of prudence, the Company has made a provision for ₹ 3200 Lakhs for the probable outflow against the above tax demand in 2008-09. Interest and penalty arising thereupon is currently not ascertainable considering the uncertainties involved.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 33 : A provision of ₹ 217.70 Lakhs has been recognised for probable claims in respect of labour disputes pending before various judicial courts mainly for retrenchment/ suspension of employees in the year 2008-09 for which process of negotiation for out of court settlement has already been initiated by the Company. There has been no movement in provision for the same in the current year as well as previous year.

Note 34 : The Company was engaged in business of hoteliering and owned erstwhile hotel 'Sea Rock' in Mumbai, India which has since been demolished. Currently, the plan for re-building of the hotel is under consideration pending requisite and other regulatory approvals.

Note 35 : Ind AS – 116 "Leases"

- The Company's leased assets mainly comprise land parcel. The term of property lease is 99 years. The lease term remaining as on Balance Sheet date is 48 years.

a. Total lease liabilities are analysed as follows:

₹ Lakhs

Denominated in the following currencies:	March 31, 2021	March 31, 2020
Indian Rupees	75.92	75.99
	-	-
Total	**75.92**	**75.99**
Analysed as		
Current	00.08	00.07
Non-current	75.84	75.92
Total	**75.92**	**75.99**

b. Amounts recognised in profit or loss

The following amounts were recognised as expense in the year:

₹ Lakhs

	March 31, 2021	March 31, 2020
Depreciation of right-of-use assets	1.50	1.50
Expense relating to variable lease payments	69.75	69.75
Expense relating to short-term leases and low-value assets	-	-
Interest on lease liabilities	7.49	7.51
Total recognised in the Statement of profit & loss	**78.74**	**78.76**

Variable lease payments represent amount payable to Govt of Maharashtra towards ground rent for leasehold land, the amount for which is assessed every 15 years.

c. Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ Lakhs

Maturity analysis:	March 31, 2021	March 31, 2020
Less than 1 year	7.55	7.55
Between 1 and 2 years	7.55	7.55
Between 2 and 5 years	22.65	22.65
More than 5 years	324.98	332.53
Total	**362.73**	**370.28**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 36 : Related Party Transactions

a. The names of related parties of the Company are as under:

Ultimate Holding Company
- The Indian Hotels Company Limited

Intermediate Holding Company
- Skydeck Properties and Developers Private Limited

Fellow subsidiary and significant shareholder
- Sheena Investments Private Limited

Subsidiary
- Luthria and Lalchandani Hotel and Properties Private Limited

b. Transactions with related parties:

₹ Lakhs

Particulars of transactions	Holding Company		Subsidiary / Fellow subsidiary		Other related Parties	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables						
Current account due	-	0.02	-	-	-	-
	-	*7.54*	*-*	*-*	*-*	*-*
Consultancy Fees incurred	-		1.00	0.90	-	-
	-	*-*	*1.00*	*0.90*	*-*	*-*
Receivables						
Current account	-	-	-	3.12	-	-
	-	*-*	*-*	*2.59*	*-*	*-*

Footnote: Figures in Italic represent previous year figures.

Note 37 : There are no foreign currency transactions during the current and previous year.

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369
UDIN: 21220369AAAAIG5534

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: April 23, 2021

Place: Mumbai
Date: April 23, 2021

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Inves-tments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective shareholding
				₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
	Indian													
1	Luthria and Lalchandani Hotel and Properties Private Limited		INR	1.00	(5.01)	1.48	5.49	-	-	(0.43)	-	(0.43)	-	90.00%

Footnotes:

i) The financial statements of the subsidiary is drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2021

Part "B" : Associates and Joint Ventures

Not applicable

For and on behalf of the Board

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: April 23, 2021

Place: Mumbai
Date: April 23, 2021

Independent Auditor's Report

To the Members of Luthria & Lalchandani Hotel & Properties Private Limited

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the financial statements of Luthria & Lalchandani Hotel & Properties Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records

in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor’s Report (Contd.)

In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor’s Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors’ Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

    (g) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. No remuneration has been paid by the Company to its directors during the year and accordingly reporting on compliance with provisions of Section 197 is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm’s Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN 21220369AAAAIF1976

Place of Signature: Mumbai
Date: April 23, 2021

Annexure ‘A’ to the Independent Auditor’s Report

Referred to in paragraph 1 on ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Luthria & Lalchandani Hotel & Properties Private Limited (“the Company”) on the Ind AS financial statements as of and for the year ended March 31, 2021.

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3 of the Order are not applicable.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3 of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3 of the Order are not applicable.

Annexure ‘A’ to the Independent Auditor’s Report (Contd.)

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause of the Order are not applicable.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of clause of the Order are not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm’s Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIF1976

Place of Signature: Mumbai
Date: April 23, 2021

Annexure 'B' to the Independent Auditor's Report

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Luthria and Lalchandani Hotel and Properties Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure 'B' to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 21220369AAAAIF1976

Place of Signature: Mumbai
Date: April 23, 2021

Balance Sheet as at March 31, 2021

₹ 000

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Financial assets			
Other non-current assets	3	136.33	136.33
Current assets			
Financial assets			
Cash and cash equivalents	4	11.26	11.26
Total		**147.59**	**147.59**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	100.00	100.00
Other equity	6	(500.96)	(458.16)
Total equity		**(400.96)**	**(358.16)**
Current Liabilities			
Financial liabilities			
Trade payables	7		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		39.31	31.21
Other financial liabilities	8	506.34	472.54
Other current liabilities	9	2.90	2.00
		548.55	**505.74**
Total		**147.59**	**147.59**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369
UDIN: 21220369AAAAIF1976

Place: Mumbai
Date: April 23, 2021

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Statement of Profit and Loss for the year ended March 31, 2021

₹ 000

	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
INCOME			
Other income	10	-	-
Total Income		**-**	**-**
EXPENSES			
Other operating and general expenses	11	42.80	44.67
Total Expenses		42.80	44.67
Profit/ (Loss) before exceptional items and tax		**(42.80)**	**(44.67)**
Exceptional items		-	-
Profit/ (Loss) before tax		**(42.80)**	**(44.67)**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total		**-**	**-**
Profit/ (Loss) after tax		**(42.80)**	**(44.67)**
Other comprehensive income, net of tax			
Other comprehensive income for the year		-	-
Total comprehensive Income for the year		**(42.80)**	**(44.67)**
Earnings per share:	12		
Basic - (₹)		(42.80)	(44.67)
Diluted - (₹)		(42.80)	(44.67)
Face value per ordinary share - (₹)		100.00	100.00
Summary of Significant Accounting Policies			
The accompanying notes form an integral part of the Financial Statements			

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369
UDIN: 21220369AAAAIF1976

Place: Mumbai
Date: April 23, 2021

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Statement of Changes in Equity for the year ended March 31, 2021

₹ 000

Particulars	Equity Share Capital Subscribed	Reserves and Surplus Retained Earnings	Total
Balance as at April 1, 2019	100.00	(413.49)	(313.49)
Profit for the year ended March 31, 2019	-	(44.67)	(44.67)
Other comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2020	**-**	**(44.67)**	**(44.67)**
Balance as at March 31, 2020	**100.00**	**(458.16)**	**(358.16)**
Profit for the year ended March 31, 2021	-	(42.80)	(42.80)
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2021	**-**	**(42.80)**	**(42.80)**
Balance as at March 31, 2021	**100.00**	**(500.96)**	**(400.96)**

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369
UDIN: 21220369AAAAIF1976

Place: Mumbai
Date: April 23, 2021

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Statement of Cash Flows for the year ended March 31, 2021

₹ 000

	Year Ended March 31, 2021	Year Ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	**(42.80)**	**(44.67)**
Adjustments For:		
Interest Income	-	-
	-	-
Cash Operating Profit before working capital changes	(42.80)	(44.67)
Adjustments for (increase)/ decrease in operating assets:		
Other Current Assets	-	-
	-	-
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	42.80	44.67
Other Liabilities	-	-
	42.80	44.67
Cash Generated from Operating Activities	-	-
Direct Taxes (Paid)/ Refunded	-	-
Net Cash Generated From Operating Activities (A)	-	-
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-	-
Net Cash Generated/(Used) In Investing Activities (B)	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	-	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	-	-
Cash and Cash Equivalents - Opening	11.26	11.26
Cash and Cash Equivalents - Closing	11.26	11.26

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369
UDIN: 21220369AAAAIF1976

Place: Mumbai
Date: April 23, 2021

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

1. Background

Luthria and Lalchandani Hotel and Properties Pvt Ltd ("Luthria & Lalchandani" or the "Company"), a private limited Company was incorporated on February 18, 2008 by conversion of M/s Luthria & Lalchandani, a partnership firm under Part IX of the Companies Act, 1956. The Company is primarily engaged in construction activities and providing Management Consultancy.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognized when the Company's right to receive the amount is established.

d) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

e) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are disclosed only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

f) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

g) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

h) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

i) Recent accounting pronouncements

a) New and amended standards and interpretation

- Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.
- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of these amendments has any material effect on the Company's financial statements.

b) New standard notified but not effective

None.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 3 : Other Financial Assets

₹ 000

	March 31, 2021	March 31, 2020
Non current		
Deposit with Govt. of Maharashtra for leasehold land (Refer note: 13)	136.33	136.33
	136.33	**136.33**

Note 4 : Cash and Cash Equivalents

₹ 000

	March 31, 2021	March 31, 2020
Balances with bank in current account	11.26	11.26
	11.26	**11.26**

Note 5 : Share Capital

₹ 000

	March 31, 2021	March 31, 2020
Authorised / Issued Share Capital		
Equity Shares		
1,000 (Previous year - 1,000)	100.00	100.00
Equity Shares of ₹ 100/- each		
	100.00	**100.00**
Subscribed and Paid Up		
1,000 (Previous year - 1,000)	100.00	100.00
Equity Shares of ₹ 100/- each, Fully Paid		
	100.00	**100.00**

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or buy back during the current and comparative periods.

ii) The ultimate Holiding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by Holding Company along with its subsidiaries and associates Companies

	No. of Shares March 31, 2021	No. of Shares March 31, 2020
Name of the Company		
i) Holding Company		
ELEL Hotels and Investments Limited	900	900
ii) Subsidiaries of ultimate Holding Company		
Skydeck Properties and Developers Private Limited	50	50
Sheena Investments Private Limited	50	50
iii) Shareholders holding more than 5% shares in the Company		
ELEL Hotels and Investments Limited	900	900
% of Holding	90.00%	90.00%

iv) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 6 : Other Equity

₹ 000

	March 31, 2021	March 31, 2020
Retained Earnings		
Opening and Closing Balance	(458.16)	(413.49)
Add: Current year profit / (loss)	(42.80)	(44.67)
Total	**(500.96)**	**(458.16)**

Note 7: Trade Payables

₹ 000

	March 31, 2021	March 31, 2020
Micor and Small Enterprises	-	-
Others		
Vendor Payables	18.00	9.90
Accrued expenses and others	21.31	21.31
	39.31	**31.21**

Footnotes:
There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006".

Note 8: Other financial liabilities

₹ 000

	March 31, 2021	March 31, 2020
Other Payables:-		
Related Parties (Refer note 23)	316.01	282.21
Others	190.33	190.33
	506.34	**472.54**

Note 9 : Other Current Liabilities

₹ 000

	March 31, 2021	March 31, 2020
Statutory dues	2.90	2.00
	2.90	**2.00**

Note 10 : Other Income

₹ 000

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Deposits with banks	-	-
Total	**-**	**-**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Note 11 : General expenses

₹ 000

	March 31, 2021	March 31, 2020
General expenses consist of the following:		
Rates and Taxes	4.30	12.57
Professional Fees	9.00	8.50
Audit Fees		
As Statutory Auditors	23.60	23.60
Other Expenses	5.90	-
Total	**42.80**	**44.67**

Note 12 : Earning Per Share (EPS)

₹ 000

	Year Ended March 31, 2021	Year Ended March 31, 2020
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax	(42.80)	(44.67)
Weighted Average Number of Equity Shares	1,000.00	1,000.00
Face Value per Equity Share	100.00	100.00
Earning Per Share - (₹) Basic and Diluted	(42.80)	(44.67)

13. The Company holds the Leasehold Rights of the Property i.e Government Land admeasuring 9,500 sq. mtrs. situated at Lands End at B J Road, Bombay suburban District, originally held by the firm M/S Luthria & Lalchandani, vide allotment Letter for Lease dated January 11, 1968 and Lease Deed Dated May 05, 1976 for a period of 99 years between the Governor of Maharashtra & M/S Luthria & Lalchandani.

    The said property has been sub-leased by the then firm M/S Luthria & Lalchandani to the company ELEL Hotels and Investments Limited by virtue of Sub Lease dated April 3, 1976.

14. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, receivables etc., approximate fair values due to the short term nature of these account balances.

15. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

16. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its investing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short-term deposits with reputable banks and financial institutions.

17. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

18. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

19. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

20. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

21. Taxation

a) Reconciliation of tax expense with the effective tax

₹ 000

	March 31, 2021	March 31, 2020
Loss before tax	(42.80)	(44.67)
Income-tax rate as applicable @ 26% (previous year @ 26%)	(11.13)	(11.24)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	11.13	11.24
Income tax expense recognised in statement of profit & loss	-	-

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

b) The Company has not recognized any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns.

22. Capital Commitments

As on March 31, 2021, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2020: ₹ Nil Lakhs)

23. Related Party Transactions

a. The names of related parties of the Company are as under:

Ultimate Holding Company

- The Indian Hotels Company Limited

Holding Company

- ELEL Hotels and Investments Limited

b. Transactions with related parties:

₹ 000

Particulars of transactions	Ultimate Holding Company		Holding Company	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables	-	4.30	-	311.71
	-	*23.19*	*-*	*259.02*
Receivables	-	-	-	-
	-	*-*	*-*	*-*

Footnote: Figures in Italics represent previous year figures.

24. There were no foreign currency transactions during the current and previous year.

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369
UDIN: 21220369AAAAIF1976

Place: Mumbai
Date: April 23, 2021

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Independent Auditor’s Report

To the Shareholders of **IHOCO B.V.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IHOCO B.V. (“the Company”), which comprise the statement of financial position as at March 31, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 2 of the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company’s financial performance as assessed by the management. Our opinion is not modified in respect of the above matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Independent Auditor's Report (Contd.)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057
UDIN: 21119057AAAAAX7343

Mumbai
April 23, 2021

Statement of Financial Position as at March 31, 2021

US$

	Note	March 31, 2021	March 31, 2020
Non-current assets			
Investments	3	257,901,586	255,788,184
Current assets			
Trade and other receivables	4	1,500,211	1,502,676
Cash and cash equivalents	5	2,176,043	5,041,976
		3,676,254	**6,544,652**
Total assets		**261,577,840**	**262,332,836**
Equity			
Share capital	6	26,382,855	23,193,201
Share premium		331,891,483	298,081,137
Reserves	7	4,587,118	4,587,118
Retained earnings		(101,461,441)	(63,560,898)
Total Equity		**261,400,015**	**262,300,558**
Current Liabilities			
Trade and other payables	8	177,825	32,278
Total equity and liabilities		**261,577,840**	**262,332,836**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on April 23, 2021.

R. H. Parekh
Director

N. Chandrasekhar
Director

The notes form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income
for the year ended March 31, 2021

US$

	Note	March 31, 2021	March 31, 2020
Revenue from operations	9	159,757	962,974
Other Income	10	494,618	8,029
Total Income		**654,375**	**971,003**
Administrative expenses	11	(174,368)	(124,723)
Impairment of investments	3	(38,230,000)	-
Profit /(loss) on ordinary activities before taxation		**(37,749,993)**	**846,280**
Taxation on profit on ordinary activities	12	(150,550)	-
Earlier year tax reversal	12	-	101,292
Profit / (Loss) for the year		**(37,900,543)**	**947,572**
Other comprehensive income		-	-
Total comprehensive income for the year		**(37,900,543)**	**947,572**
Earnings per share:	18		
Basic (US$)		(1.53)	0.04
Diluted (US$)		(1.53)	0.04
Face value per equity share (US$)		1.00	1.00

The notes form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended March 31, 2021

US$

	Share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
April 1, 2019	23,193,201	298,081,137	4,587,118	(64,508,470)	261,352,986
Total Comprehensive income for the period					
Profit for the period	-	-	-	947,572	947,572
Other comprehensive income for the period	-	-	-	-	-
March 31, 2020	**23,193,201**	**298,081,137**	**4,587,118**	**(63,560,898)**	**262,300,558**
Comprehensive income for the period					
Loss for the period	-	-	-	(37,900,543)	(37,900,543)
Other comprehensive income for the period	-	-	-	-	-
Contributions by and distribution to owners					
Shares issued	3,189,654	33,810,346	-	-	37,000,000
March 31, 2021	**26,382,855**	**331,891,483**	**4,587,118**	**(101,461,441)**	**261,400,015**

The notes form an integral part of these financial statements.

Statement of Cash flows for the year ended March 31, 2021

	March 31, 2021	March 31, 2020
		US$
Cash flows from operating activities		
Profit / (Loss) for the year	(37,900,543)	947,572
Adjustments for:		
Income tax expense	150,550	(101,292)
Impairment of investments	38,230,000	-
Reversal of impairment of investments	-	-
Operating cash flows before movements in working capital	**480,007**	**846,280**
Decrease in trade and other receivables	(210)	-
Increase / (decrease) in trade and other payables	(5,002)	19,778
Cash generated by operations	**474,795**	**866,058**
Income taxes refund received / (paid)	2,675	1,881
Net cash from operating activities	**477,470**	**867,939**
Cash flows from Investing activities		
Investment in subsidiaries / JVs / associates	(39,343,403)	-
Loans advanced to a related party	(1,000,000)	-
Net cash (used in) investing activities	**(40,343,403)**	**-**
Cash flows from Financing activities		
Proceeds on issue of shares	37,000,000	-
Net cash generated from financing activities	**37,000,000**	**-**
Net increase / (decrease) in cash and cash equivalents	**(2,865,933)**	867,939
Cash and cash equivalents at beginning of year (note 5)	5,041,976	4,174,037
Cash and cash equivalents at end of year (note 5)	**2,176,043**	**5,041,976**

The notes form an integral part of these financial statements.

Notes to the Financial Statements for the year ended March 31, 2021

1 Accounting policies

IHOCO B.V. is a private company ('the Company'), limited by shares, incorporated in the Netherlands. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are set out in the report of the directors.

The management has voluntarily adopted International Financial Reporting Standards ('IFRS') with effect from April 1, 2018. Up to and including the year ended March 31, 2018, the Company prepared its annual financial statements in accordance with United Kingdom Generally Accepted Accounting Principles.

These financial statements were authorised for issue by the Company's board of directors on April 23, 2021.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Going Concern

The Company holds investment in various companies, which face economic uncertainties due to COVID-19 which has impacted the operations of those entities adversely since March, 2020 and onwards. Management of those entities have assessed the impact of existing and anticipated effects of COVID-19 on the future cashflow projections for those entities and have prepared a range of scenarios to estimate financing requirement, including issuance of any letter of support to those entities. The Company has also received a letter of financial support from its parent Company to help to meet any shortfall. Based on the above, the financial statements of the Company for the year ended March 31, 2021 have been prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business

Group accounts

The company is a wholly owned subsidiary of The Indian Hotels Company Limited. The company is included in the consolidated financial statements of The Indian Hotels Company Limited. Therefore, the company has taken exemption from the preparation of consolidated financial statements as permitted by IFRS 10.

The financial statements contain information about the company as an individual company and so do not contain consolidated financial information as the parent of a group.

The following principal accounting policies have been applied:

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

Revenue

Interest receivable on loans is accrued based on the amounts owed at the effective rate of interest.

Dividend income is recognised when the company has the right to receive that income.

Valuation of investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Certain investments have previously been subject to revaluation (see note 7) however on implementation of IFRS, the directors have elected to treat the brought forward carrying values as being held at deemed cost and do not propose to revalue investments going forward.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') in US dollar.

Shares which were originally issued in Dutch Guilders were restated on October 8, 2015 at the US dollar equivalent at the time of issue with the difference included in a share redenomination reserve. Movements in this reserve represent the changes arising from the retranslation in each period and is transferred to / from the profit and loss reserve.

(b) Transactions and balances

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Reserves

The Company reserves as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The revaluation reserve represents the difference between the cost of investments at acquisition and the date of revaluation.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are viewed on an ongoing basis. Revisions to estimates are recognized prospectively. Management has determined whether there are any indicators of impairment of the Company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Estimation of uncertainties relating to the global health pandemic from Corona Virus (COVID-19):

IHOCO BV ("the Company") is Wholly Owned Subsidiary of The Indian Hotels Company Limited ('the parent company'). The Company is an investment company and an intermediate holding company. The Company has investments in 5 subsidiaries and 4 associates as at March 31, 2021. The subsidiaries and associates as given in note 3, which runs and operates hotels and resorts.

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Governments all over the world have taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across countries, from March 2020.

The business has been severely impacted during the year on account of COVID-19. The subsidiaries and associate companies as above operate hotels and restaurants. Many of these hotels / restaurants witnessed softer revenues due to the lockdown imposed during the first six months of the year and a number of hotels had to be shut down. With the unlocking of restrictions, the businesses have been opened and is expected to gradually improve across all hotels. During the second half of the year, the hotels witnessed some signs of recovery of demand. Whilst there has been a second wave of the COVID-19 pandemic in the last few months, there has also been increased vaccination drive by Governments and the Company continues to closely monitor the situation.

The Company has also assessed the possible impact of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of Covid-19 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.

The Company has adequate funds at its disposal and the Management is confident of securing additional financing, as required, for the next 12 months to enable the Company to meet its debts and obligations as they fall due. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

3 Investments

US$

	Subsidiary undertakings	Associated undertakings	Total
Cost			
As at April 1, 2019	195,819,685	59,968,499	255,788,184
Additions	-	-	-
Impairments	-	-	-
At March 31, 2020	**195,819,685**	**59,968,499**	**255,788,184**
Additions	40,343,402	-	40,343,402
Impairments	(29,390,000)	(8,840,000)	(38,230,000)
At March 31, 2021	**206,773,087**	**51,128,499**	**257,901,586**

In adopting IFRS, the Company has treated the value of its investments as at April 1, 2017 as deemed costs and translated such costs at the prevailing US$ rate. All investments acquired after that date are stated at cost less impairments.

During the year, the Company impaired its investments in its some of its subsidiaries and associates aggregating USD 38,230,000. The impairment is on account of change in economic conditions due to Covid-19 that is prevailing worldwide.

Subsidiary undertakings and associated undertakings

The principal undertakings in which the company's interest at the year-end are as follows:

Name	Country of Incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Subsidiary undertakings			
St James Court Hotel Limited	United Kingdom	54.01%	Hotel operator
Taj International Hotels Limited	United Kingdom	100.00%	Restaurants and catering
United Overseas Holdings Inc.	Delaware, USA	100.00%	Hotel operator
IHMS Hotels (SA) Proprietary Limited	South Africa	100.00%	Hotel operator
Good Hope Palace Hotels Proprietary Limited	South Africa	100.00%	Hotel Owning
Associated undertakings			
Lanka Island Resorts Limited	Sri Lanka	24.66%	Hotel operator
TAL Hotels and Resorts Limited	Hong Kong	26.67%	Hotel operator
TAL Lanka Hotels PLC	Sri Lanka	24.62%	Hotel operator
Oriental Hotels Limited	India	5.25%	Hotel operator

4 Trade and other receivables

	March 31, 2021 US$	March 31, 2020 US$
Amounts owed by associated undertakings (see note 14)	1,500,000	1,500,000
Advance income taxes	-	2,676
Other Advances	211	
	1,500,211	**1,502,676**

All amounts shown under debtors fall due for payment within one year except, Amounts owed by associated undertakings US$ 1,500,000 (March 31, 2020 - US$ 1,500,000) which is payable to the Company after a period of atleast one year.

5 Cash and cash equivalents

	March 31, 2021 US$	March 31, 2020 US$
Bank balances	2,176,043	5,041,976

6 Share capital

	March 31, 2021 US$	March 31, 2020 US$
Issued and fully paid		
26,382,855 nos. Ordinary shares of US$1 each		
(Previous year 23,193,201 nos. of US$ 1 each)	**26,382,855**	**23,193,201**

The sole shareholder is entitled to dividends as declared from time to time and is entitled to one vote per share at general meetings of the Company. 3,189,654 shares of par value US$1 each were issued (March 31, 2020 - NIL). All shares were issued rank pari passu.

Shareholders holding more than 5% shares

	March 31, 2021 US$	March 31, 2020 US$
Ordinary share of US$ 1 each		
The Indian Hotels Company Limited	**26,382,855**	**23,193,201**

7 Revaluation reserve

	Revaluation reserve US$
At March 31, 2021 and March 31, 2020	**4,587,118**

The revaluation reserve represents the difference between cost of the investments at acquisition and the valuation of investments up to March 31, 2014. The valuation of such investments has been treated as deemed cost, following adoption of IFRS.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

8 Trade and other payables

US$

	March 31, 2021	March 31, 2020
Trade payable	27,275	32,278
Accruals and other payables	150,550	-
	177,825	**32,278**

9 Revenue from operations

US$

	March 31, 2021	March 31, 2020
Dividend Income	24,757	827,974
Interest Income	135,000	135,000
	159,757	**962,974**

10 Other Income

US$

	March 31, 2021	March 31, 2020
Exchange Gain	494,267	2,336
Miscellaneous Income	351	5,693
	494,618	**8,029**

11 Administrative expenses

US$

	March 31, 2021	March 31, 2020
Professional Fees	98,495	61,071
Bank charges	49,075	30,393
Auditors remuneration – audit	22,273	33,259
WHT on dividend	4,525	-
	174,368	**124,723**

12 Taxation

US$

	March 31, 2021	March 31, 2020
Corporation tax	150,550	-
Reversal / (charge) for period	-	(101,292)
Taxation on profit on ordinary activities	**150,550**	**(101,292)**

US$

Reconciliation of effective tax rate	March 31, 2021	March 31, 2020
Profit /(loss) before tax	(37,749,993)	846,280
Company's domestic tax rate	21.80%	25%
Expected income tax expenses	(8,229,852)	211,570
Tax effect of:		
Tax exempt Income	(5,397)	(206,993)
Earlier year losses set off	(33,627)	(4,577)
Earlier year tax reversal	-	(101,292)
Non-deductible expenses	8,419,426	-
Taxation on profit on ordinary activities	**150,550**	**(101,292)**

The Company is an investment company and does not normally receive trading income. The Company pays Dutch tax on investment income and deemed interest on net amounts due from related parties.

13 Financial instruments

US$

	March 31, 2021	March 31, 2020
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,676,254	6,544,651
Financial liabilities		
Financial liabilities measured at amortised cost	177,825	32,278

Financial assets measured at amortised cost comprise cash at bank and amounts due from associated undertakings. Financial liabilities measured at amortised cost comprise amounts due to group undertakings, accruals and deferred income.

14 Ultimate parent undertaking, controlling and related parties

The directors regard The Indian Hotels Company Limited, a company incorporated in India, as the ultimate parent undertaking and ultimate controlling party.

During the year, the company invested a further US$ 20,500,000 as capital contribution to United Overseas Holdings Inc.

The company also acquired balance 50% shares of IHMS Hotels (SA) Proprietary Limited making it a 100% Owned subsidiary of the Company.

During the year, the company capitalized shareholders loan of US$19,843,402 placed with Good Hope Palace Hotels Proprietary Limited into equity.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The names of related parties of the Company are as follows:

Name	Relationship
The Indian Hotels Company Limited	Holding company
United Overseas Holding Inc.	Subsidiary company
Taj International Hotels Limited	Subsidiary company
St. James Court Hotel Limited	Subsidiary company
IHMS Hotels (SA) Proprietary Limited	Subsidiary company
Good Hope Palace Hotels Proprietary Limited	Subsidiary company
TAL Hotels & Resorts Limited	Associate company
Lanka Island Resorts Limited	Associate company
Oriental Hotels Limited	Associate company
TAL Lanka Hotels Plc	Associate company

The transactions with related parties for the year end are as follows:

US$

	March 31, 2021	March 31, 2020
Dividend received from:		
Taj International Hotels Limited	-	495,355
TAL Hotels and Resorts Limited	-	266,905
Lanka Island Resorts Limited	-	-
Oriental Hotels Limited	24,757	65,713
Interest Income received from:		
TAL Hotels and Resorts Limited	135,000	135,000

The balances with related parties at the year-end are as follows:

US$

	March 31, 2021	March 31, 2020
Amounts due from:		
TAL Hotels and Resorts Limited	1,500,000	1,500,000

Letter of support

The Company has issued a Letter of Support to Good Hope Palace Hotels Proprietary Limited for shortfall in its operational and debt service requirements as mentioned in the Letter of Support.

The Company has received a Letter of Support from The Indian Hotels Company Limited for providing financial support to meet any shortfall in the Company's fund requirements.

15 Employee Benefits

There were no employees of the Company as at March 31, 2021 and March 31, 2020.

16 Capital commitments and Contingent Liabilities

There are no capital commitments of the Company as at March 31, 2021 and March 31, 2020.

There are no contingent liabilities of the Company as at March 31, 2021 and March 31, 2020.

The Company has issued Letter of Support to one of its subsidiary companies to provide financial support, if required.

17 Operating Segment

The Company is an investment holding company for foreign operations of The Indian Hotels Company Limited and as such it has no segments as the investing activity is monitored under one single segment. The Directors review the internal management reports of each investment on a quarterly basis.

18 Earnings per share

US$

	March 31, 2021	March 31, 2020
Profit / (Loss) after tax	(37,900,543)	947,572
Opening balance	23,193,201	23,193,201
Effect of fresh issue of equity shares	3,189,654	-
Total number of equity shares	26,382,855	23,193,201
Weighted average number of equity shares	24,831,958	23,193,201
Earnings per share:		
Basic US $	(1.53)	0.04
Diluted US $	(1.53)	0.04

The calculation of basic earnings per share ('EPS') has been based on the above loss after tax attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The calculation of diluted EPS has been based on the above loss after tax attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

19 Other Notes

(a) Group financial statements of The Indian Hotels Company Limited can be obtained from their website at: www.ihcltata.com/investors.html.

Independent Auditor's Report

Board of Directors,

United Overseas Holdings, Inc.

We have audited the accompanying consolidated financial statements of United Overseas Holdings, Inc. and its subsidiaries, (collectively referred to as "the Company") which comprise the consolidated balance sheets as of March 31, 2021 and March 31, 2020, and the related consolidated statements of loss, changes in stockholder's equity and cash flows for the years then ended and the related notes to the consolidated financial statements, (hereinafter referred to as "consolidated financial statements").

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the consolidated financial position of the Company as of March 31, 2021 and March 31, 2020, and the consolidated results of its operations and cash flows for the years then ended, in accordance with the accounting principles generally accepted in the United States of America.

KNAV P.A.
Atlanta, Georgia
April 23, 2021.

Consolidated Balance Sheets

(All amounts are stated in United States Dollars, unless otherwise stated)

	As at	
	March 31, 2021	March 31, 2020
Current assets		
Cash	1,932,947	3,734,242
Accounts receivable		
Guest ledger	178,458	96,940
City ledger	124,877	660,841
Other receivables	358,729	-
Inventories	620,934	620,983
Employee retention credit receivable	379,980	-
Prepaid expenses	825,380	1,121,784
Total current assets	**4,421,305**	**6,234,790**
Property and equipment		
Investment in cooperative apartments	1,500,000	1,500,000
Land	14,000,000	14,000,000
Building and improvements	143,345,494	144,380,493
Furniture, fixtures, and equipment	33,667,899	33,510,864
Construction in progress	2,832,009	702,443
	195,345,402	**194,093,800**
Less: accumulated depreciation	(77,552,220)	(72,443,750)
Property and equipment, net	**117,793,182**	**121,650,050**
Other assets		
Deferred costs, net	60,000	102,278
Security deposits	120,406	118,045
Due from related parties	53,596	20,269
Total assets	**122,448,489**	**128,125,432**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable		
Trade	1,896,812	3,711,829
Restoration obligation - liability	-	1,035,000
Other taxes payable	52,515	257,691
Accrued expenses		
Payroll and related	836,083	564,334
Vacation, gratuities, and incentives	3,084,638	3,990,260
Interest	79,802	146,545
Utilities	302,648	207,863
Other	631,831	1,894,870
Tenants' security deposits	147,000	147,000
Advance deposits and other credit balances	5,916,888	5,947,516
Note payable to related party	7,000,000	7,000,000
Line of credit	20,500,000	15,000,000
Total current liabilities	**40,448,217**	**39,902,908**
Long-term debt	5,698,092	-
Total liabilities	**46,146,309**	**39,902,908**
Stockholder's equity		
Common stock, par value $1 per share, 100 shares authorized, issued and outstanding	100	100
Additional paid-in-capital	205,223,741	184,723,741
Accumulated deficit	(128,921,661)	(96,501,317)
Total stockholder's equity	**76,302,180**	**88,222,524**
Total liabilities and stockholder's equity	**122,448,489**	**128,125,432**

(The accompanying notes are an integral part of these consolidated financial statements)

Consolidated Statements of Loss

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2021	**March 31, 2020**
REVENUE		
Rooms	4,493,839	43,547,038
Food and beverages	530,459	40,247,041
Others	8,060,686	10,178,953
Total revenue	**13,084,984**	**93,973,032**
DEPARTMENTAL EXPENSES		
Rooms	7,846,860	24,440,246
Food and beverages	8,006,016	40,894,487
Others	1,109,698	2,039,748
Total departmental expenses	**16,962,575**	**67,374,481**
(Loss) income before unallocated operating expenses & fixed charges	**(3,877,591)**	**26,598,551**
UNALLOCATED OPERATING EXPENSES		
Administrative and general	6,986,342	11,845,794
Sales and marketing	2,299,480	5,357,041
Repairs and maintenance	3,572,863	6,574,369
Utilities	2,146,851	3,441,218
Total unallocated operating expenses	**15,005,536**	**27,218,422**
Loss before fixed charges	**(18,883,126)**	**(619,871)**
FIXED CHARGES		
Real estate and other taxes	729,067	828,718
Insurance	734,414	687,124
Rent and license fees	5,786,002	7,953,786
Depreciation	6,266,346	5,677,314
Amortization	42,278	169,111
Interest and finance costs	853,165	378,829
Total fixed charges	**14,411,272**	**15,694,882**
Loss before other income	**(33,294,399)**	**(16,314,753)**
Other income		
Sales & marketing, and management fees	886,831	1,754,297
Total other income	**886,831**	**1,754,297**
Loss before income tax	**(32,407,566)**	**(14,560,456)**
Income tax expense (benefit)	12,779	(38,398)
Net loss	**(32,420,345)**	**(14,522,058)**

(The accompanying notes are an integral part of these consolidated financial statements)

Consolidated Statements of Stockholder's Equity

(All amounts are stated in United States Dollars, except number of shares or unless otherwise stated)

Particulars	Common stock				Additional paid-in capital	Accumulated deficit	Total stockholder's equity
	Authorized		Issued & outstanding				
	Shares	Value	Shares	Value			
Balance as at April 1, 2019	100	100	100	100	184,723,741	(81,979,259)	102,744,582
Net loss for the year					-	(14,522,058)	(14,522,058)
Balance as at March 31, 2020	**100**	**100**	**100**	**100**	**184,723,741**	**(96,501,317)**	**88,222,524**
Balance as at April 1, 2020	**100**	**100**	**100**	**100**	**184,723,741**	**(96,501,317)**	**88,222,524**
Contribution from shareholder					20,500,000	-	20,500,000
Net loss for the year					-	(32,420,345)	(32,420,345)
Balance as at March 31, 2021	**100**	**100**	**100**	**100**	**205,223,741**	**(128,921,661)**	**76,302,180**

(The accompanying notes are an integral part of these consolidated financial statements)

Consolidated Statements of Cash Flows

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2021	March 31, 2020
Cash flows from operating activities		
Net loss	(32,420,345)	(14,522,058)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	6,308,624	5,846,425
Amortization of debt initiation cost	352	-
Loss on disposal of assets	7,777	-
Changes in net operating assets and liabilities		
Accounts receivable	95,716	2,307,717
Inventories	49	91,789
Prepaid expenses	296,405	346,062
Security deposits	(2,360)	6,754
Restoration obligation, net	(1,035,000)	86,250
Accounts payable	(1,815,017)	(952,994)
Other taxes payable	(205,176)	(108,167)
Accrued expenses	(1,868,869)	(803)
Deferred costs	42,278	-
Advance deposits and other credit balances	(30,628)	(1,733,473)
Employee retention credit receivable	(379,980)	-
Due from related parties, net	(33,327)	33,462
Net cash used in operating activities	**(31,039,502)**	**(8,599,037)**
Cash flows from investing activities		
Purchase of property and equipment	(2,459,533)	(2,327,014)
Net cash used in investing activities	**(2,459,533)**	**(2,327,014)**
Cash flows from financing activities		
Additional paid-in capital	20,500,000	-
Withdrawals on line of credit	7,000,000	15,000,000
Repayment of line of credit	(1,500,000)	(2,500,000)
Proceeds from long-term debt	6,000,000	-
Deferred financing costs paid	(302,261)	-
Net cash provided by financing activities	**31,697,739**	**12,500,000**
Net (decrease) increase in cash	(1,801,295)	1,573,949
Cash at the beginning of the year	3,734,242	2,160,293
Cash at the end of the year	**1,932,947**	**3,734,242**
Supplemental cash flow information		
Income tax paid	-	9,930
Interest paid	919,137	238,940

(The accompanying notes are an integral part of these consolidated financial statements)

Notes to Consolidated Financial Statements

(All amounts are stated in United States Dollars, unless otherwise stated)

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

United Overseas Holdings Inc. (the "Company") was incorporated in August 2015 under the laws of the State of Delaware as a wholly-owned subsidiary of The International Hotel Management Services, Inc., ("The IHMS Inc.") which subsequently has become a wholly-owned subsidiary of the IHOCO B.V., a wholly owned subsidiary of The Indian Hotels Company Limited ("The IHCL"), a company based in Mumbai, India.

As part of the international restructuring being implemented by The IHCL, on October 02, 2015, the Company through a contribution deed (the "Restructuring") was assigned the assets of and assumed the liabilities of, The International Hotel Management Services, LLC (formerly The International Hotel Management Services, Inc.) at its net book value at the date of the Restructuring. The Restructuring also included the assignment of The IHMS Inc.'s interest in its subsidiaries namely, the IHMS, LLC ("the New York LLC"), the IHMS (Boston) LLC ("the Boston LLC"), the IHMS (SF) LLC ("the San Francisco LLC"), and the IHMS (USA) LLC ("the Manager") to the Company at their respective net book values at the date of the Restructuring.

The IHCL has agreed to provide financial support to the Company for working capital deficits.

NOTE B - SUBSIDIARIES OPERATIONS

The New York LLC d/b/a The Pierre New York, ("Hotel Pierre") was formed in June 2005 under the laws of the State of Delaware, to acquire the lease with 795 Fifth Avenue Corporation ("795 Corp."), its affiliate 795 Fifth Avenue Limited Partnership ("795 Partnership"), Barney's New York ("Barney's"), and individual apartment owners (collectively "the Lessors"), which encompass the facilities of the Hotel Pierre located in New York, New York. In July 2005, the New York LLC acquired the lease from affiliates of Four Seasons Hotel Limited.

The San Francisco LLC was formed in March 2007 under the laws of the State of Delaware. In April 2007, the San Francisco LLC acquired the Campton Place Hotel ("the San Francisco Hotel") located in San Francisco, California from an unrelated third party.

The Boston LLC was formed in September 2006 under the laws of the State of Delaware. In January 2007, the Boston LLC acquired the Ritz Carlton Boston Hotel ("the Boston Hotel") located in Boston, Massachusetts from an unrelated third party.

On May 18, 2016, the Company entered into a limited liability company purchase agreement (the "Sale") to sell its entire membership interest in the Boston LLC to AS Holdings LLC,("new owner") an unrelated third party, for $125 million, adjusted for the difference between the closing working capital, at the date of the closing, and the target working capital. The closing of the Sale took place on July 12, 2016 (the "Closing"). In connection with the Sale, the Manager entered into a hotel management services agreement with the new owner of the Boston Hotel.

The management contract between the Manager and the new owner was terminated effective November 01, 2019.

The Pierre New York and the San Francisco Hotel are collectively referred to herein as the "Hotel Properties". The New York LLC, the IHMS (USA) LLC and the San Francisco LLC are collectively referred to herein as the "subsidiaries".

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. **Basis of preparation**
    a. The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP") to reflect the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

Notes to Consolidated Financial Statements
(All amounts are stated in United States Dollars, unless otherwise stated)

b. The consolidated financial statements are for the fiscal years ended March 31, 2021 and March 31, 2020.

c. Certain reclassifications, regroupings and reworking have been made in the consolidated financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or consolidated stockholder's equity.

2. Going concern

In view of the continued support from the parent company, the management considers that it is appropriate to prepare these consolidated financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has received funding from parent company amounting to $ 20,500,000 during the current year of infusion of additional paid in capital, for meeting the cash flow requirements. Also, considering the various reliefs provided by the government on account of COVID 19 situation and vaccination being made easily available to the people especially in the United States of America, the management believes there will be a positive impact on the domestic business, thereby mitigating the substantial doubt about the Company's ability to continue as a going concern.

3. Use of estimates

The preparation of consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant items subject to such estimates and assumptions include the collectability of accounts receivable, the allocation of interest costs, the useful lives and recoverability of costs of property and equipment, the provision for doubtful accounts, the valuation allowance for deferred tax assets, and other contingencies. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, the uncertainty created by the novel coronavirus (COVID-19) and efforts to contain it has made such estimates more difficult and subjective. Accordingly, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the consolidated financial statements.

4. Principles of consolidation

The consolidated financial statements include the accounts of United Overseas Holdings, Inc. and its wholly owned subsidiaries, the IHMS (SF) LLC, the IHMS LLC & the IHMS (USA) LLC. Upon consolidation, all intercompany accounts and transactions are eliminated.

5. Cash and cash equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by Federal Deposit Insurance Corporation up to an aggregate of $ 250,000 per depositor at each financial institution.

6. Accounts receivable

Accounts receivable primarily represents receivables from the Hotel Properties' guests who occupy rooms and utilize the hotel amenities. An allowance for doubtful accounts is provided based on management's evaluation when it is determined that it is more likely than not a specific account will not be collected.

7. Inventories

Inventories which consist of food, beverages, chinaware, glassware, silverware and retail and guest supplies are valued at the lower of cost or net realizable value on a first-in, first-out basis.

(All amounts are stated in United States Dollars, unless otherwise stated)

8. Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Cost of items of property, and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

Major maintenance projects that extend the life of the related equipment are capitalized. Cost of maintenance and repairs are charged to expense when incurred.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to consolidated statement of loss.

The estimated useful life used to determine depreciation is:

Building improvements*	25-40 years
Co-operative apartments	30 years
Furniture, fixtures and equipment	5-10 years

*In case of the Hotel Pierre, the building improvements are depreciated over the period of lease.

Deposits paid towards the acquisition of property and equipment outstanding as of each balance sheet date and the cost of property and equipment not ready for use before such date are disclosed under construction in progress. The amount of fully depreciated assets still in use by the Company are $ 25,465,306 as at March 31, 2021 and $ 23,972,014 as at March 31, 2020

9. Long-lived assets

US GAAP requires that property and equipment held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis. If such review indicates that the asset is impaired, the asset's carrying amount would be written down to fair value. Additionally, US GAAP requires that long-lived assets to be disposed of be reported at the lower of carrying amount or fair value, less cost to sell. Management has determined that no adjustment was required for the years ended March 31, 2021 and 2020.

10. Deferred costs

The Company has capitalized lease acquisition costs incurred to acquire the lease of the Hotel Pierre and secure the extension of the lease agreement with Barney's, the sub-lessor. The lease acquisition cost is amortized using a method which approximates the interest method over the initial lease period of Pierre lease.

Accumulated amortization of the lease acquisition costs amounted to $ 2,536,665 and $ 2,494,387 of March 31, 2021 and 2020, respectively. The asset stands fully amortized as on March 31, 2021.

The deferred cost includes liquor license costs capitalized with indefinite life amounting to $ 60,000 for the San Francisco Hotel.

11. Intangible assets

Intangible assets are stated at cost less accumulated amortization. The Company amortizes intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to the fair value as required.

Notes to Consolidated Financial Statements
(All amounts are stated in United States Dollars, unless otherwise stated)

12. Revenue recognition

The Company primarily derives revenue from the products and services provided to the customers and revenue is generally recognized when control of the product or service has been transferred to the customer. The customers include guests at the Hotel Properties. A summary of the revenue streams is as follows:

a. Owned & leased Hotel Properties revenues

The Company identifies following performance obligations in connection with the owned and leased Hotel Properties revenues, for which revenue is recognized as the respective performance obligations are satisfied, which results in recognizing the amount that the Company expects to be entitled for providing the goods or services.

Owned & leased Hotel Properties revenues primarily consist of hotel room sales, revenue from accommodations sold in conjunction with other services (e.g., package reservations), food and beverage sales and other ancillary goods and services (e.g., parking, laundry) related to owned Hotel Property. Revenue is recognized when rooms are occupied or goods and services have been delivered or rendered, respectively. Payment terms typically align with when the goods and services are provided.

b. Other revenues

Other revenues include revenues generated by the incidental support of hotel operations for leased and owned, Hotel Properties, and other operating income.

Other revenues from leased Hotel Property represent amounts, in the nature of management fees that are contractually paid to the Company by property owners. The fees cover payment for services provided to the 795 Corp. owners pursuant to the management contract entered between the IHMS LLC and the 795 Corp. Revenue is recognized over time as services are rendered.

c. Taxes and fees collected on behalf of governmental agencies

The Company is required to collect certain taxes and fees from customers on behalf of governmental agencies and remit these back to the applicable governmental agencies on a periodic basis. The Company has a legal obligation to act as a collection agent. The Company does not retain these taxes and fees and, therefore, they are not included in the measurement of revenues from the Hotel Properties. The Company presents revenue, net of sales taxes, and other similar taxes. The Company records a liability when the amounts are collected and relieves the liability when payments are made to the applicable taxing authority or other appropriate governmental agency.

Revenue from contracts with customers

Effective April 01, 2019, the Company adopted Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), with a date of initial application of April 01, 2019 using the modified retrospective method and determined that the existing revenue recognition practices are in compliance with Accounting Standards Codification ("ASC") 606. Accordingly, there was no cumulative effect adjustment to the balance of accumulated deficit in the consolidated balance sheet as of April 01, 2019, as the adoption did not result in a change to the timing of revenue recognition.

13. Operating leases

The Company's operating lease rentals include (i) fixed lease payments, or minimum payments as contractually stated in the lease agreement; (ii) variable lease payments, or contingent rentals, which are generally based on a percentage of the leased Hotel Properties' operating and maintenance expense and are dependent on changes in Consumer Price Index (CPI). In addition, the Company is required to pay some, or all, of the capital costs for furniture, equipment and leasehold improvements in the hotel during the term of the lease as defined by the lease agreement. The management has determined that the difference between lease rentals recognized on straight line basis and in accordance with the lease terms is not material. For operating leases, lease expense relating to fixed or minimum payments & variable payments are recognized when the lease expenses are incurred.

Lease rent expenses on other operating leases are charged to expense over the lease term. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term in the rent and license fees in the consolidated statement of loss.

14. Income taxes

The Company files income tax returns on a consolidated basis. The Company records income tax expense, if any, on an individual company basis in order to properly reflect its portion of consolidated income tax expense.

The Company recognizes deferred tax assets and liabilities based on the differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years. The Company's temporary differences giving rise to deferred taxes result primarily from net loss carry-forwards, employee related benefits and depreciation and amortization. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which the temporary differences are expected to be recovered or settled.

The Company is also subject to various other taxation requirements imposed by the State and the City of New York.

15. Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

16. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

17. Recently issued accounting standards not yet adopted

In February 2016, the FASB issued ASU 2016-02, Leases. Under the new guidance, lessees are required to recognize a right-of-use asset and a lease liability on the consolidated balance sheet for all leases, other than those that meet the definition of a short-term lease. This update will establish a lease asset and lease liability by lessees for those leases

Notes to Consolidated Financial Statements

(All amounts are stated in United States Dollars, unless otherwise stated)

classified as operating under current GAAP. Leases will be classified as either operating or finance under the new guidance. Operating leases will result in straight-line expense in the consolidated statement of loss, similar to current operating leases, and finance leases will result in higher expense being recognized in the earlier years of the lease term, similar to current capital leases. This ASU is effective for the Company beginning April 01, 2022. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

NOTE C - LINE OF CREDIT

The Company entered into a $ 15,000,000 line of credit agreement with J.P. Morgan Bank, N.A on December 24, 2018 which was set to expire on December 23, 2020. The credit facility was renewed for another year expiring on December 23, 2021. Interest payments required on the credit facility are at a variable rate, equal to (a) the base rate, plus a margin offered by the bank, (b) a floating rate equal to the Eurodollar rate, plus a margin offered by the bank, or (c) a fixed rate offered by the bank and accepted by the Company. The amount outstanding on the credit facility as of March 31, 2021 and 2020, was $ 15,000,000 and $ 15,000,000, respectively. The average interest rate for outstanding credit facility was approximately 4.31% and 3.87% for the year ended March 31, 2021 and 2020, respectively.

On April 30, 2020, the Company obtained uncommitted temporary facility for short term loans from JP Morgan Chase Bank, North America, amounting to $ 7,000,000, under the continuing agreement for commercial and standby letter of credit, between the Company and JP Morgan Chase Bank, North America. The temporary short-term facility was set to expire on October 30, 2020. JP Morgan Chase Bank, N.A. on the request of the Company, extended the term of the facility till April 30, 2021. The amount outstanding on the temporary short-term facility as of March 31, 2021 was $ 5,500,000. The interest rate on the facility for the years ended March 31, 2021, was 4.25%.

NOTE D - LONG-TERM DEBT

The Company entered into a loan agreement with the Bank of Baroda, New York branch on February 12, 2021, for a total loan amount of $ 30,000,000. The term of the loan is six years, i.e., till March 31, 2027. The Company has withdrawn an amount of $ 6,000,000 as of March 31, 2021. As per the agreement the Company has to withdraw the entire amount of $ 30,000,000 on or before June 30, 2021. The debt issuance cost amounting to $ 302,261 on the aforesaid loan is presented as a deduction from the loan thereby reducing the proceeds of borrowing and increasing the effective interest rate to 4.04%. The loan amount outstanding as on March 31, 2021, is $ 5,698,092. Interest expense during the year ended March 31, 2021 was $ 15,227.

Debt covenants and guarantees:

The IHCL, the ultimate parent company acts as a guarantor for the loan taken from the Bank of Baroda, New York Branch. Per the terms of the agreement, the Company shall not use the proceeds of the loan to repay any of the existing loan facility of the Company and it shall utilize the proceeds exclusively for general corporate, miscellaneous capex carried out during the normal course of business and working capital purpose of its subsidiaries. The Company has mortgaged its subsidiary's hotel property, Taj Campton place, San Francisco property.

The loan agreement contains several covenants that among other things restricts, subject to certain exceptions, the Company's ability to create or assume any debt, guarantees, lien, make any loans and advances, enter into any leases, or declare, make or pay any dividend or issue any shares, without the written consent of the lender.

In addition, the Company and its subsidiary the IHMS LLC is required to maintain specific financial ratios, on an annual basis beginning February 12, 2021 and including (i) asset coverage ratio and (ii) net debt to net worth ratio.

(All amounts are stated in United States Dollars, unless otherwise stated)

Debt maturities for Bank of Baroda, New York Branch

Year ending March 31,	Debt
2022	-
2023	1,500,000
2024	3,000,000
2025	4,500,000
2026	6,000,000
Thereafter	15,000,000
	30,000,000

NOTE E -OPERATING LEASES

As lessors

The San Francisco LLC and the New York LLC, as lessors under various operating leases, will receive base rents over the next five years and thereafter as follows:

Year ending March 31,	IHMS (SF) LLC	IHMS LLC	Total
2022	56,643	342,516	399,159
2023	56,643	342,516	400,758
2024	56,643	342,516	402,421
2025	56,643	342,516	404,150
2026	56,643	342,516	405,948
	283,215	**1,712,580**	**2,012,436**

Certain of the Company's sub-leases contain provisions for additional rents and extension options. The Company recognized the rental income amounting to $ 423,621 and $ 504,814 for the years ended March 31, 2021 and 2020, respectively, in other revenue in the consolidated statement of loss.

As lessees

Lease agreement with 795 Corp. and 795 Partnership

The New York LLC's lease agreements with the 795 Corp. and the 795 Partnership are for certain facilities of the Hotel Pierre for the purpose of operating a hotel business. The leases were originally scheduled to terminate on June 30, 2015 and may be extended for two additional ten-year terms. In November 2007, the New York LLC, entered a lease modification with 795 Corp. The principal modification extended the lease term for an additional 10 years, to June 30, 2025.

The lease agreements provide for the 795 Corp. and the 795 Partnership to receive rental payments with respect to the Hotel Pierre's facilities. Rental payments consist of minimum rentals and additional rentals measured by a formula based upon the 795 Corp.'s and the 795 Partnership's costs.

On August 31, 2017, the New York LLC, entered a lease amendment with the 795 Corp. which among other things extended the lease term to June 30, 2035 and has the following provisions:

- The 795 Fifth Avenue Corporation to spend not less than $ 6,000,000 in the aggregate over the course of not more than seven years towards the replacement and retrofitting of the electro-mechanical equipment servicing the Hotel Pierre.

Notes to Consolidated Financial Statements

(All amounts are stated in United States Dollars, unless otherwise stated)

- The New York LLC and the 795 Fifth Avenue Corporation to share the cost of the replacement and installation of an emergency generator, where the New York LLC's obligation is subject to a maximum of $ 950,000, and any amount in excess to be spent by the 795 Fifth Avenue Corporation.
- The New York LLC and the 795 Fifth Avenue Corporation to split the costs associated with the façade repair work to the exterior of the Hotel Pierre as required under Local Law 11, on a 50/50 basis.
- For the lease years, as defined, post June 30, 2025, the cost of repair and replacement of the building systems, as defined, and MEP equipment, as defined, will be shared by the New York LLC and the 795 Fifth Avenue Corporation in the ratio of 35% and 65%, respectively.
- Increase in management fees payable to the New York LLC, for servicing to the cooperative apartments.

On September 14, 2020 the New York LLC, entered into a lease amendment with the 795 Corp. and secured certain concessions in view of the COVID-19 pandemic. These concessions include:

- Reduction of lease rentals to the tune of 50% of adjusted minimum rent, for the period starting April 2020 to August 2020.
- Further reduction of 25% discount, on the applicable adjusted minimum rent for the period from September 2020 to August 2022. Rent forbearance totaling $ 4,000,000 was agreed over for the period April 2020 to August 2020.
- Pursuant to bankruptcy of Barneys, the New York LLC had decided to surrender the Hotel Pierre Ballroom as a result of which the Hotel Pierre Ballroom is required to be reconfigured and renovated after the surrender of the leased space. The lease agreement with landlord for such lease expired on March 31, 2021 and the Company surrendered the leased space of the Hotel Pierre Ballroom back to the landlord.
- As part of the 2017 lease amendment with the 795 Corporation, the New York LLC had negotiated that upon termination of the Hotel Pierre Ballroom lease and on surrender of the Hotel Pierre ballroom lease to the landlord, the 795 Corporation will reduce the lease rentals payable to them by $700,000 per year. The reduction in lease rental will commence effective April 01, 2021.
- The New York LLC will spend around $ 12,000,000 in reconfiguration and renovation of the ball room (including $ 1,000,000 for segregation of the Hotel ballroom lease and construction of the demised wall). Per the lease amendment dated September 14, 2020, the 795 Corporation has agreed to advance a loan of $ 7,000,000 to facilitate the completion of the construction of the ball room and contribute $ 2,000,000 for high end finishes of the ball room space.
- The $ 7,000,000 loan from the 795 Corporation bears an interest rate of 4.50% and repayable in monthly installment from date of completion of the ball room till December 2034. The IHCL, ultimate parent company acts as a guarantor for the loan taken from the 795 Corporation

The future minimum lease payments, excluding additional variable rentals measured by formulae under lease agreement with the 795 Corp. and the 795 Partnership for the Hotel Pierre are as follows:

(All amounts are stated in United States Dollars, unless otherwise stated)

March 31,	795 Corporation	795 Partnership	Individual Shareholders	Rent Reduction	Total
2022	1,617,982	1,752,813	119,494	(700,000)	2,790,289
2023	1,685,474	1,825,931	119,494	(700,000)	2,930,899
2024	1,733,684	1,878,157	119,494	(700,000)	3,031,335
2025	1,733,684	1,878,157	119,494	(700,000)	3,031,335
2026	1,733,684	1,878,157	119,494	(700,000)	3,031,335
Thereafter	32,939,990	35,684,989	2,270,390	(13,300,000)	57,595,369
	41,444,497	**44,898,205**	**2,867,860**	**(16,800,000)**	**72,410,562**

Lease on Ballroom

The New York LLC assumed a lease agreement with Barney's, which was renewed on March 12, 2012, for the use of the Hotel Pierre's Ballroom. The lease agreement with Barney's was amended wherein, among other things, the scheduled expiration was extended to December 31, 2018 and the annual fixed rent was increased to $ 1,700,000 ("Amended Lease Agreement"). In addition, the Amended Lease Agreement required a one-time rent adjustment fee of $ 1,000,000 ("Rent Adjustment"). The Rent Adjustment is reported under deferred costs and is amortized over the term of the Amended Lease Agreement. As of March 31, 2020, and 2019, the Rent Adjustment was fully amortized.

Since the Amended Lease Agreement expired on December 31, 2018, the New York LLC and Barney's have reached an understanding for the extension of the Amended Lease Agreement for a period of 10 years ("Lease MOU"), with a 10% increase in the first 5 years and an additional 5% increase beginning in the 6th year of the Lease MOU.

The New York LLC has also reached an understanding with the 795 Corp. and the 795 Partnership, whereby the 795 Corp. and the 795 Partnership will bear 50% of the increase in the annual fixed rent over and above the previous annual fixed rent. The annual fixed rent was an increase to $ 1,870,000 on renewal of the lease term as per Lease MOU.

In August 2019, Barneys, the sub-lessor of the Hotel Pierre's Ballroom lease declared bankruptcy and surrendered their master lease of Barney's store with the order of the court and the lease arrangement with the sub lessor ended on February 28, 2020. Thereafter, the New York LLC entered into a new short-term lease with Flagship 660 Owner LLC, a Delaware limited liability company, ("landlord").

The short-term lease for Hotel Pierre's Ballroom with the landlord is for a fixed expiration date term till March 31, 2021. The New York LLC will pay annual fixed rentals amounting to $ 1,870,000 for Hotel Pierre's Ballroom over the lease term.

As per the aforesaid lease agreement, the New York LLC will have to surrender the Ballroom lease space back to the landlord in white box condition thereby incurring the expenses for restoration work in conjunction with the plans and specification as approved by the landlord.

The Company has reasonably estimated the restoration cost amounting to $ 1,035,000. The Company has recognized asset retirement obligation for the aforesaid cost under property and equipment and the same is depreciated over the remaining term of the Hotel Pierre's Ballroom lease. As of March 31, 2021, the Company surrendered the leased space back to the landlord and has accounted for the segregation cost.

NOTE F -INCOME TAXES

For the year ended March 31, 2021, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States. The Company is a member of the UOH consolidated federal tax group.

The Company files combined state tax returns with affiliated group companies in certain states while in certain states, the Company files the tax returns at a separate entity level.

Notes to Consolidated Financial Statements

(All amounts are stated in United States Dollars, unless otherwise stated)

	For year ended	
	March 31, 2021	March 31, 2020
Current		
Federal	-	-
State	12,779	(38,398)
	12,779	**(38,398)**
Total provision for income taxes	**12,779**	**(38,398)**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at	
	March 31, 2021	March 31, 2020
Non-current deferred tax liabilities:		
Property & equipment	(58,233)	(103,007)
Total deferred tax liabilities	**(58,233)**	**(103,007)**
Non-current deferred tax assets:		
Net operating losses	116,126,800	107,520,213
Advance deposits	953,868	108,663
Accrued employee compensation	1,109,902	1,192,833
Accrued interest	-	35,602
Interest disallowances	500,895	236,202
Total deferred tax assets	**118,691,465**	**109,093,513**
Net deferred taxes	118,633,231	108,990,506
Less: deferred tax asset valuation allowance	(118,633,231)	(108,990,506)
Total	-	-

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the history of losses and current year significant losses, the management believes that it is more likely than not that the deferred tax assets may not be realized during foreseeable future and accordingly, a valuation allowance of $ 118,633,231 and $ 108,990,506 has been recorded as at March 31, 2021 and 2020, respectively.

No deferred tax assets were recognized as at March 31, 2021 and 2020.

The Company has federal net operating losses ("NOLs") of $ 398,978,744 and $ 370,060,079 as at March 31, 2021 and 2020, respectively. The NOLs of $ 48,625,929 generated in financial year 2018-2019 onwards, will be carried forward indefinitely and can be carried back to 5 years and NOLs prior to 2018-19 will expire between 2026 to 2037.

The Company has combined state net operating loss carryforwards for the states of NYS, NYC, MA, and CA, of approximately $608,159,167 and $ 560,732,621 as at March 31, 2021 and 2020, respectively, which if unutilized will expire based on the various state statutes.

(All amounts are stated in United States Dollars, unless otherwise stated)

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2021 and 2020.

The tax years of 2017 through 2019 remain subject to examination by the taxing authorities.

NOTE G - REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The following table presents revenue disaggregated by product line:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rooms	4,493,839	43,547,038
Food & beverages	530,459	40,247,041
Others	8,060,686	10,178,953
Total revenue by product line	**13,084,984**	**93,973,032**

The following table presents revenue disaggregated by timing of recognition:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue transferred at a point in time	5,024,298	83,794,079
Revenue transferred over time	8,060,686	10,178,953
Total revenue by timing of revenue recognition	**13,084,984**	**93,973,032**

The entire revenue is attributable to the United States. No other geographies are involved.

Contract balances

The following table provides information about contract assets and liability balances as of March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Accounts receivable		
Guest ledger	178,458	96,940
City ledger	124,877	660,841
Other receivables	358,729	-
Contract liability (Advance deposits)	5,916,888	5,947,516

NOTE H - ADVERTISING AND MARKETING EXPENSE

Advertising costs are presented as part of sales and marketing expenses in the consolidated statement of loss. Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the year ended March 31, 2021 and 2020 is $ 417,724 and $ 1,991,961, respectively.

Notes to Consolidated Financial Statements

(All amounts are stated in United States Dollars, unless otherwise stated)

NOTE I - EMPLOYEE BENEFITS PLANS

Multi-Employer Defined Benefit Plans

The New York LLC is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("Union") and the Hotel Association of New York City, Inc. The collective bargaining agreement provides for Union sponsored multi-employer defined benefit plans (the "Plans") which the New York LLC makes contributions for the benefit of its employees covered by the collective bargaining agreement. The New York LLC has not received information from the Plans' administrator to determine its share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans.

a. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects: Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's participation in the Plans for the plan years ended December 31, 2020 and 2019 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plan's year-end at December 31, 2020 and 2019. The zone status is based on information that the New York LLC received from the Plan and is certified by the actuaries of the 1199 Plan. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's contributions to the Plans did not exceed more than 5% of the total contributions made to the Plans by all participating employers.

Pension fund	EIN number	Plan number	Pension Protection Act Zone Status 2020	2019	FIP/RP Status Pending/ Implemented	Contributions by the Company Amount in USD 2020	2019
Pension Fund (1)	13-1764242	001	Green	Green	Yes	1,859,270	4,046,529
Health Benefits Fund (2)	13-6126923	501	N/A	N/A	Yes	7,569,220	7,954,067
Prepaid Legal Services Fund (3)	13-3418414	508	N/A	N/A	Yes	54,253	76,968
						9,482,743	**12,077,564**

(1) -New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

(2) -New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund

(3) -New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

Defined contribution 401(k) plan

The Company and the Subsidiaries have a defined contribution plan for the benefit of its eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plan requires employer contributions of 3% of each eligible participants' plan compensation for each year. The employer may also make a profit-sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined. The employer contribution charged to the Company's and the subsidiaries' operations amounts to the following for the years ended March 31:

(All amounts are stated in United States Dollars, unless otherwise stated)

	2021	2020
The San Francisco LLC	40,586	110,987
The New York LLC	95,073	188,498
The Company	20,718	31,950
Total	**156,377**	**331,435**

Employee Retention Credit
During the year, the Company availed the benefit under the ERC (Employee Retention Credit) scheme, a benefit given by the Federal government under the COVID stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. The total ERC credit claimed by the Company for the year March 31, 2021 amounts to $ 3,075,439 ($ 2,745,430 for the IHMS LLC and $330,009 for the IHMS (SF) LLC). As of March 31, 2021, $ 379,980 is receivable from IRS.

Deferral of employment taxes
Section 2302 of the CARES Act provides that employers may defer the deposit and payment of the employer's portion of Social Security taxes. The payroll tax deferral period begins on March 27, 2020 and ends December 31, 2020. Section 2302(a)(2) of the CARES Act provides that deposits of the employer's share of Social Security tax that would otherwise be required to be made during the payroll deferral period may be deferred until the "applicable date. The Company has deferred the employment taxes amounting to $ 480,583 as on March 31, 2021.

NOTE J - RELATED PARTY TRANSACTIONS

A. **Ultimate parent company**
The Indian Hotels Company Limited (owning 100% of common stock of the IHOCO B.V.)

B. **Parent company**
IHOCO B.V. (Owning 100% of common stock of United Overseas Holdings, Inc.)

C. **Affiliate company**
Taj International Hotels (HK) Limited

Amount due to related parties have no specified date of repayment.

The Company has following transactions with the related parties:

The Indian Hotels Company Limited ("The IHCL")
The Company has outstanding receivable from the IHCL amounting to $ 53,596 and $ 20,269 as at March 31, 2021 and 2020, respectively.

Taj International Hotels (HK) Limited
The Company has obtained advances from TAJ International Hotels (HK) Limited amounting to $ 7,000,000 at 3.5% p.a. The Company pays interest on advances and recovers the interest paid from its subsidiaries, to the extent of proceeds used during the year. For the year ended March 31, 2020, the aforesaid loan was converted into interest free advances effective November 01, 2019. The total interest allocated to its subsidiaries was $ NIL and $ 143,644 for the year ended March 31, 2021 and 2020, respectively.

Notes to Consolidated Financial Statements
(All amounts are stated in United States Dollars, unless otherwise stated)

IHOCO B.V.
The immediate parent company the IHOCO B.V. infused funds in the form of additional paid-in capital amounting to $ 20,500,000, during the year ended March 31, 2021. The Company contributed these proceeds to its subsidiaries the IHMS LLC and the IHMS (SF) LLC in the form of member's contribution amounting to $ 17,700,000 and $ 2,800,000 respectively.

NOTE K - COMMITMENTS & CONTIGENCIES

Claims and legal actions
The Company is a party to claims that arise in the normal course of business. Management of the Company believes that the ultimate outcome of these claims will not have a material effect on the consolidated financial statements.

Management agreement with landlord
On July 1, 2005, 795 Corp. entered into a management agreement (the "Management Agreement") with the New York LLC. Under the Management Agreement, the New York LLC agreed to manage the Hotel Pierre as agent for the 795 Corp. and provide the shareholders of the 795 Corp. with certain services.

Under the Management Agreement, the 795 Corp. is required to pay a base annual management fee of $3,907,362. This fee, subject to annual adjustments, reflects increases in costs of management over the prior year.

The Management Agreement was originally scheduled to expire on June 30, 2025. On August 31, 2017, the New York LLC entered into a modified Management Agreement which extended the term of the agreement by ten years to June 30, 2035. In connection with the modified Management Agreement, the base annual management fee required to be paid by the 795 Corp. was increased to $5,744,690, with annual increases thereafter. In addition, the New York LLC is no longer required to provide certain services to the shareholders of the 795 Corp.

Management fees, including other reimbursements and fees charged to the 795 Corp. totaled to $ 7,425,228 and $ 7,152,297 for the years ended March 31, 2021 and 2020, respectively and are included in other revenue. The Management Agreement is co-terminus with the lease agreements with 795 Corp. and 795 Partnership.

Capital commitments
The commitments for the Ballroom project as of March 31, 2021 is $ 4,413,000 out of which $ 3,000,000 is paid and hence the net commitment is $ 1,413,000. The net capital commitment for Generator Set and Façade at the hotel Pierre amounted to $ 19,000 and $ 1,288,905. The net capital commitment for the IHMS (SF) LLC is $112,492.

Management agreement for the Boston Hotel
As part of the Sale, the Manager entered into a hotel management services agreement (the "Boston Management Agreement") with the new owner of the Boston Hotel. The Boston Management Agreement, which requires the Boston Hotel to be continually branded as the Taj Boston, has an initial lock-in term of ten years, as defined, and can be extended by the Manager for an additional 5-year term, provided that the Manager is not in default of the terms of the Boston Management Agreement. The Boston Management Agreement entitles the Manager to a revenue-based fee in an amount equal to 1.5% of gross revenue, and an incentive fee equal to 5% of net operating income, if any.

On April 3, 2018, the Manager and the new owner of the Boston Hotel amended the Boston Management Agreement, which includes a provision that allows the new owner of the Boston Hotel to terminate this agreement at any time, with at least three months' notice, without payment of a penalty beginning January 1, 2019. If such termination occurs, the Boston Hotel will no longer be branded as a Taj Hotel. In connection with the amendment, the Manager received a modification and incentive fee in the amount of $ 6,915,100 during April 2018 in consideration for entering the amendment.

Effective November 01, 2019, the Boston Hotel terminated the Boston Management Agreement and it is no longer branded as Taj Hotels. Management fees earned for the years ended March 31, 2021 and 2020 amounted to $ Nil and $ 74,668, respectively.

Notes to Consolidated Financial Statements

(All amounts are stated in United States Dollars, unless otherwise stated)

NOTE L - RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

The management of the Company has also evaluated the possible effect of COVID – 19 on the carrying amount of trade receivables and other assets and believes that the current COVID-19 scenario is not/will not materially impact the consolidated financial statements of the Company for the year ended on March 31, 2021. The Company will continue to monitor developments to identify significant uncertainties surrounding COVID-19 and its impact on performance of the Company for future periods. Also, considering the various reliefs provided by the government on account of COVID 19 situation and vaccination being made easily available to the people especially in the United States of America, the management believes there will be a positive impact on the domestic business, thereby mitigating the substantial doubt about the Company's ability to continue as a going concern.

NOTE M - SUBSEQUENT EVENTS

The Company evaluated all events or transactions that occurred after March 31, 2021 up to the date of the consolidated financial statements were issued. Based on this evaluation, the Company is not aware of any events or transactions that should require recognition or disclosure in the consolidated financial statements.

Independent Auditor’s Report on Supplementary Information

To the Board of Directors and Stockholder of United Overseas Holdings, Inc.

We have audited the consolidated financial statements of United Overseas Holdings, Inc. as of and for the years ended March 31, 2021 and March 31, 2020 and our report thereon dated April 20, 2021 expresses an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated balance sheets and consolidated statements of loss and cash flows (“supplementary information”) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The supplementary information is the responsibility of the Company’s management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KNAV P.A.
Atlanta, Georgia.
April 23, 2021

Supplementary Information

Consolidated balance sheets	IHMS (SF) LLC	IHMS LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
	As at March 31, 2021					
ASSETS						
Current assets						
Cash	227,396	609,025	629	1,095,896	-	1,932,947
Accounts receivable						
Guest ledger	78,581	99,876	-	-	-	178,458
City ledger	22,909	101,968	-	-	-	124,877
Other receivables	-	358,729	-	-	-	358,729
Inventories	211,973	408,961	-	-	-	620,934
Employee retention credit receivable	-	379,980	-	-	-	379,980
Prepaid expenses	226,041	592,821	-	6,517	-	825,380
Total current assets	**766,900**	**2,551,361**	**629**	**1,102,414**	**-**	**4,421,305**
Property and equipment						
Investment in cooperative apartments	-	1,500,000	-	-	-	1,500,000
Land	14,000,000	-	-	-	-	14,000,000
Building and improvements	45,771,617	97,573,876	-	-	-	143,345,493
Furniture, fixtures, and equipment	3,997,051	29,592,785	-	78,064	-	33,667,899
Construction in progress	204,437	2,627,572	-	-	-	2,832,009
	63,973,105	**131,294,233**	**-**	**78,064**	**-**	**195,345,402**
Less: accumulated depreciation	18,947,917	58,533,558	-	70,745	-	77,552,220
Property and equipment, net	**45,025,188**	**72,760,675**	**-**	**7,319**	**-**	**117,793,182**
Other assets						
Deferred costs, net	60,000	-	-	-	-	60,000
Security deposits	33,090	87,316	-	-	-	120,406
Investment in subsidiaries	-	-	-	110,918,386	(110,918,386)	-
Due from related parties	14,313	660,274	8,335,520	105,763,227	(114,719,738)	53,596
Total assets	**45,899,492**	**76,059,626**	**8,336,150**	**217,791,345**	**(225,638,124)**	**122,448,489**
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)						
Current liabilities						
Accounts payable trade	38,823	1,857,989	-	-	-	1,896,812
Other tax payable	30,188	22,327	-	-	-	52,515
Accrued expenses						
Payroll and related	178,677	657,406	-	-	-	836,083
Vacation, gratuities, and incentives	187,936	2,801,454	-	95,248	-	3,084,638
Interest	-	-	-	79,802	-	79,802
Utilities	35,708	266,939	-	-	-	302,648
Other	335,462	296,370	-	-	-	631,832
Tenants' security deposits	-	147,000	-	-	-	147,000
Advance deposits and other credit balances	208,051	5,057,632	-	651,206	-	5,916,888
Notes payable to related parties	-	-	-	7,000,000	-	7,000,000
Line of credit	-	-	-	20,500,000	-	20,500,000
Total current liabilities	**1,014,845**	**11,107,117**	**-**	**28,326,256**	**-**	**40,448,218**
Due to related parties	17,264,906	88,444,175	-	9,010,656	(114,719,738)	-
Long term debt	-	-	-	5,698,092	-	5,698,092
Total liabilities	**18,279,752**	**99,551,292**	**-**	**43,035,003**	**(114,719,738)**	**46,146,309**
Stockholder's equity (deficit)						
Common stock, par value $1 per share, 100 shares authorized, issued and outstanding	-	-	-	100	-	100
Additional paid-in-capital	53,741,941	236,803,509	-	205,223,741	(290,545,450)	205,223,741
Accumulated surplus (deficit)	(26,122,201)	(260,295,175)	8,336,150	(30,467,498)	179,627,064	(128,921,661)
Total stockholder's equity (deficit)	**27,619,740**	**(23,491,667)**	**8,336,150**	**174,756,342**	**(110,918,386)**	**76,302,180**
Total liabilities and stockholder's equity (deficit)	**45,899,492**	**76,059,626**	**8,336,150**	**217,791,345**	**(225,638,124)**	**122,448,489**

Supplementary Information

Consolidated balance sheets	As at March 31, 2020					
	IHMS (SF) LLC	IHMS LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
ASSETS						
Current assets						
Cash	357,037	798,725	1,389	2,577,091	-	3,734,242
Accounts receivable						
Guest ledger	95,154	1,786	-	-	-	96,940
City ledger	9,799	651,042	-	-	-	660,841
Inventories	228,452	392,531	-	-	-	620,983
Prepaid expenses	315,787	794,797	-	11,200	-	1,121,784
Total current assets	**1,006,229**	**2,638,881**	**1,389**	**2,588,291**	**-**	**6,234,790**
Property and equipment						
Investment in cooperative apartments	-	1,500,000	-	-	-	1,500,000
Land	14,000,000	-	-	-	-	14,000,000
Building and improvements	45,771,617	98,608,876	-	-	-	144,380,493
Furniture, fixtures, and equipment	3,862,038	29,570,763	-	78,063	-	33,510,864
Construction in progress	131,323	571,119	-	-	-	702,442
	63,764,978	**130,250,758**	**-**	**78,063**	**-**	**194,093,800**
Less: accumulated depreciation	(17,470,946)	(54,903,668)	-	(69,136)	-	(72,443,750)
Property and equipment, net	**46,294,032**	**75,347,090**	**-**	**8,927**	**-**	**121,650,050**
Other assets						
Deferred costs, net	60,000	42,278	-	-	-	102,278
Security deposits	30,730	87,315	-	-	-	118,045
Investment in subsidiaries	-	-	-	90,418,386	(90,418,386)	-
Due from related parties	(10,148)	(80,173)	8,335,520	93,654,586	(101,879,516)	20,269
Total assets	**47,380,843**	**78,035,392**	**8,336,909**	**186,670,190**	**(192,297,902)**	**128,125,432**
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)						
Current liabilities						
Accounts payable trade	212,469	3,499,360	-	-	-	3,711,829
Restoration obligation liability	-	1,035,000	-	-		1,035,000
Other tax payable	65,223	192,468	-	-	-	257,691
Accrued expenses						
Payroll and related	82,757	481,577	-	-	-	564,334
Vacation, gratuities, and incentives	610,950	3,230,590	-	148,720	-	3,990,260
Interest	-	-	-	146,545		146,545
Utilities	26,751	181,112	-	-	-	207,863
Other	482,170	1,412,700	-	-	-	1,894,870
Tenants' security deposits	-	147,000	-	-		147,000
Advance deposits and other credit balances	204,137	5,743,379	-	-	-	5,947,516
Notes payable to related parties	-	-	-	7,000,000		7,000,000
Line of credit	-	-	-	15,000,000	-	15,000,000
Total current liabilities	**1,684,457**	**15,923,186**	**-**	**22,295,265**	**-**	**39,902,908**
Due to related parties	15,504,607	77,364,253	-	9,010,656	(101,879,516)	-
Total liabilities	**17,189,064**	**93,287,439**	**-**	**31,305,921**	**(101,879,516)**	**39,902,908**
Stockholder's equity (deficit)						
Common stock, par value $1 per share, 100 shares authorized, issued and outstanding	-	-	-	100	-	100
Additional paid-in-capital	50,941,939	219,103,509	-	184,723,743	(270,045,450)	184,723,741
Accumulated surplus (deficit)	(20,750,159)	(234,355,556)	8,336,909	(29,359,575)	179,627,064	(96,501,317)
Total stockholder's equity (deficit)	**30,191,780**	**(15,252,047)**	**8,336,909**	**155,364,268**	**(90,418,386)**	**88,222,524**
Total liabilities and stockholder's equity (deficit)	**47,380,843**	**78,035,392**	**8,336,909**	**186,670,190**	**(192,297,902)**	**128,125,432**

Supplementary Information

Consolidated statements of loss	IHMS (SF) LLC	IHMS LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
	For the year ended March 31, 2021					
REVENUE						
Rooms	1,094,969	3,398,870	-	-	-	4,493,839
Food and beverage	92,104	438,354	-	-	-	530,459
Other	113,092	7,947,594	-	-	-	8,060,686
Total revenue	**1,300,166**	**11,784,818**	**-**	**-**	**-**	**13,084,984**
DEPARTMENTAL EXPENSES						
Room	746,254	7,100,607	-	-	-	7,846,860
Food and beverages	611,264	7,394,752	-	-	-	8,006,016
Others	107,579	1,002,119	-	-	-	1,109,698
Total departmental expenses	**1,465,096**	**15,497,478**	**-**	**-**	**-**	**16,962,575**
Loss before unallocated operating expenses & fixed charges	**(164,931)**	**(3,712,660)**	**-**	**-**	**-**	**(3,877,591)**
UNALLOCATED OPERATING EXPENSES						
Administrative and general	1,126,469	5,067,010	759	792,104	-	6,986,342
Sales and marketing	304,587	842,287	-	1,152,606	-	2,299,480
Repairs and maintenance	863,276	2,709,587	-	-	-	3,572,863
Utilities expense	278,305	1,868,545	-	-	-	2,146,851
Total unallocated operating expenses	**2,572,638**	**10,487,429**	**759**	**1,944,710**	**-**	**15,005,536**
Loss before fixed charges	**(2,737,568)**	**(14,200,089)**	**(759)**	**(1,944,710)**	**-**	**(18,882,676)**
FIXED CHARGES						
Real estate and other taxes	729,067	-	-	-	-	729,067
Insurance	332,276	402,138	-	-	-	734,414
Rent and license fees	36,175	5,701,387	-	48,440	-	5,786,002
Depreciation	1,476,971	4,787,766	-	1,609	-	6,266,346
Amortization	-	42,278	-	-	-	42,278
Interest and finance costs	58,357	794,808	-	-	-	853,165
Total fixed charges	**2,632,846**	**11,728,377**	**-**	**50,049**	**-**	**14,411,272**
Loss before other income	**(5,370,414)**	**(25,928,466)**	**(759)**	**(1,994,759)**	**-**	**(33,294,399)**
Other income						
Sales and marketing, and management fees	-	-	-	886,832	-	886,381
Total other income	**-**	**-**	**-**	**886,832**	**-**	**886,381**
Loss before tax	(5,370,414)	(25,928,466)	(759)	(1,107,927)	-	(32,407,566)
Income tax expense	1,626	11,153	-	-	-	12,779
Net loss	**(5,372,040)**	**(25,939,619)**	**(759)**	**(1,107,927)**	**-**	**(32,420,345)**

Supplementary Information

Consolidated statements of income (loss)	For the year ended March 31, 2020 IHMS (SF) LLC	IHMS LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
REVENUE						
Rooms	11,277,524	32,269,514	-	-	-	43,547,038
Food and beverage	5,204,401	35,042,640	-	-	-	40,247,041
Other	1,033,188	9,145,765	-	-	-	10,178,953
Total revenue	**17,515,113**	**76,457,919**	**-**	**-**	**-**	**93,973,032**
DEPARTMENTAL EXPENSES						
Room	4,170,608	20,269,638	-	-	-	24,440,246
Food and beverages	5,112,968	35,781,519	-	-	-	40,894,487
Others	333,305	1,706,443	-	-	-	2,039,748
Total departmental expenses	**9,616,881**	**57,757,600**	**-**	**-**	**-**	**67,374,481**
Income before unallocated operating expenses & fixed charges	**7,898,232**	**18,700,319**	**-**	**-**	**-**	**26,598,551**
UNALLOCATED OPERATING EXPENSES						
Administrative and general	2,219,433	9,213,267	869	412,225	-	11,845,794
Sales and marketing	846,210	2,730,200	-	1,780,631	-	5,357,041
Repairs and maintenance	962,795	5,611,574	-	-	-	6,574,369
Utilities expense	607,654	2,833,564	-	-	-	3,441,218
Total unallocated operating expenses	**4,636,092**	**20,388,605**	**869**	**2,192,856**	**-**	**27,218,422**
Income (loss) before fixed charges	**3,262,140**	**(1,688,286)**	**(869)**	**(2,192,856)**	**-**	**(619,871)**
FIXED CHARGES						
Real estate and other taxes	828,718	-	-	-		828,718
Insurance	322,527	364,597	-	-	-	687,124
Rent and license fees	39,660	7,848,928	-	65,198	-	7,953,786
Depreciation	1,486,550	4,187,253	-	3,511	-	5,677,314
Amortization	-	169,111	-	-	-	169,111
Interest and finance costs	-	378,829	-	-	-	378,829
Total fixed charges	**2,677,455**	**12,948,718**	**-**	**68,709**	**-**	**15,694,882**
Income (loss) before other income	**584,685**	**(14,637,004)**	**(869)**	**(2,261,565)**	**-**	**(16,314,753)**
Other income						
Sales and marketing, and management fees	-	-	74,668	1,679,629	-	1,754,297
Total other income	**-**	**-**	**74,668**	**1,679,629**	**-**	**1,754,297**
Income (loss) before tax	584,685	(14,637,004)	73,799	(581,936)	-	(14,560,456)
Income tax expense (benefit)	3,666	(42,064)	-	-	-	(38,398)
Net income (loss)	**581,019**	**(14,594,940)**	**73,799**	**(581,936)**	**-**	**(14,522,058)**

Supplementary Information

Consolidated statements of cash flows	For the year ended March 31, 2021					
	IHMS (SF) LLC	IHMS LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
Cash flows from operating activities						
Net loss	(5,372,040)	(25,939,619)	(759)	(1,107,927)	-	(32,420,345)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities						
Depreciation and amortization	1,476,971	4,830,044	-	1,609	-	6,308,624
Amortization of debt initiation cost	-	-	-	352	-	352
Loss on disposal of assets	-	7,777	-	-	-	7,777
Changes in certain other accounts						
Accounts receivable	3,463	92,254	-	-	-	95,716
Inventories	16,479	(16,430)	-	-	-	49
Prepaid expenses	89,746	201,976	-	4,683	-	296,405
Security deposits	(2,360)	-	-	-	-	(2,360)
Restoration obligations, net	-	(1,035,000)	-	-	-	(1,035,000)
Employee retention credit receivable	-	(379,980)	-	-	-	(379,980)
Deferred costs, net	-	42,278	-	-	-	42,278
Accounts payable	(173,646)	(1,641,371)	-	-	-	(1,815,017)
Taxes payable, other than income	(35,035)	(170,142)	-	-	-	(205,177)
Accrued expenses	(464,844)	(1,283,808)	-	(120,217)	-	(1,868,869)
Advance deposits and other credit balances	3,914	(685,747)	-	651,206	-	(30,628)
Due to related parties, net	1,735,839	10,339,475	-	(12,108,641)	-	(33,327)
Net cash used in operating activities	**(2,721,514)**	**(15,638,293)**	**(759)**	**(12,678,935)**	**-**	**(31,039,502)**
Cash flows from investing activities						
Purchase of property and equipment	(208,127)	(2,251,406)	-	-	-	(2,459,533)
Net cash used in investing activities	**(208,127)**	**(2,251,406)**	**-**	**-**	**-**	**(2,459,533)**
Cash flows from financing activities						
Additional paid-in capital	2,800,001	17,700,000	-	-	-	20,500,000
Proceeds from short-term debt	-	-	-	7,000,000	-	7,000,000
Repayment of short-term debt	-	-	-	(1,500,000)	-	(1,500,000)
Proceeds from term loan	-	-	-	6,000,000	-	6,000,000
Deferred financing costs paid	-	-	-	(302,261)	-	(302,261)
Net cash provided by financing activities	**2,800,001**	**17,700,000**	**-**	**11,197,739**	**-**	**31,697,739**
Net decrease in cash	(129,640)	(189,699)	(759)	(1,481,195)	-	(1,801,295)
Cash at the beginning of year	357,037	798,725	1,389	2,577,092	-	3,734,242
Cash at the end of year	**227,397**	**609,025**	**629**	**1,095,896**	**-**	**1,932,947**
Supplemental cash flow information						
Income tax paid	-	-	-	-	-	-
Interest paid	-	919,137	-	-	-	919,137

Supplementary Information

Consolidated statements of cash flows	For the year ended March 31, 2020					
	IHMS (SF) LLC	IHMS LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
Cash flows from operating activities						
Net income (loss)	581,019	(14,594,940)	73,799	(581,936)	-	(14,522,058)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities						
Depreciation and amortization	1,486,550	4,356,364	-	3,511	-	5,846,425
Changes in certain other accounts						
Accounts receivable	306,807	1,992,911	8,000	-	-	2,307,717
Inventories	19,017	72,772	-	-	-	91,789
Prepaid expenses	(16,866)	366,846	-	(3,920)	-	346,062
Security deposits	6,754	-	-	-	-	6,754
Restoration obligations, net	-	86,250	-	-	-	86,250
Accounts payable	33,593	(986,587)	-	-	-	(952,994)
Taxes payable, other than income	(122,707)	14,540	-	-	-	(108,167)
Accrued expenses	(433,496)	277,222	-	155,471	-	(803)
Advance deposits and other credit balances	(38,392)	(1,695,081)	-	-	-	(1,733,473)
Due to related parties, net	(1,886,931)	11,889,409	(97,000)	(9,872,016)	-	33,462
Net cash (used in) provided by operating activities	**(64,652)**	**1,779,706**	**(15,201)**	**(10,298,890)**	**-**	**(8,599,037)**
Cash flows from investing activities						
Purchase of property and equipment	(334,534)	(1,992,480)	-	-	-	(2,327,014)
Net cash used in investing activities	**(334,534)**	**(1,992,480)**	**-**	**-**	**-**	**(2,327,014)**
Cash flows from financing activities						
Withdrawals from line of credit	-	-	-	15,000,000	-	15,000,000
Repayment of line of credit	-	-	-	(2,500,000)	-	(2,500,000)
Net cash provided by financing activities	**-**	**-**	**-**	**12,500,000**	**-**	**12,500,000**
Net (decrease) increase in cash	(399,186)	(212,774)	(15,201)	2,201,110	-	1,573,949
Cash at the beginning of year	756,222	1,011,499	16,590	375,982	-	2,160,293
Cash at the end of year	**357,037**	**798,725**	**1,389**	**2,577,092**	**-**	**3,734,242**
Supplemental cash flow information						
Income tax paid	-	9,930	-	-	-	9,930
Interest paid	-	238,940	-	-	-	238,940

Independent Auditor’s Report

Opinion

We have audited the financial statements of St James Court Hotel Limited (“the company“) for the year ended March 31, 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at March 31, 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the directors’ conclusions, we considered the inherent risks to the company’s business model and analysed how those risks might affect the company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

we consider that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

we have not identified, and concur with the directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud
To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent Auditor's Report (Contd.)

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because transactions are not complex and low in value, requiring significant collusion across the organisation.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

Independent Auditor’s Report (Contd.)

For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors’ report

The directors are responsible for the strategic report and the directors’ report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors’ report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors’ report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors’ responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Contd.)

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members. as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

David Arnold (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: May 7, 2021

Profit and Loss Account and Other Comprehensive Income
for the Year Ended March 31, 2021

Note		2021 £	2020 £
Turnover	4	3,339,670	39,177,808
Cost of sales		(7,284,138)	(19,675,744)
Gross (loss)/profit		**(3,944,468)**	**19,502,064**
Administrative expenses		(6,391,219)	(14,406,292)
Other operating income	5	3,687,981	-
Operating (loss)/profit	6	**(6,647,706)**	**5,095,772**
Interest receivable and similar income		1,464	10,502
Interest payable and similar expenses	10	(1,091,561)	(1,350,236)
(Loss)/profit before tax		**(7,737,803)**	**3,756,038**
Tax on (loss)/profit	11	926,052	(442,429)
(Loss)/profit for the financial year		**(6,811,751)**	3,313,609

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations. No other comprehensive income was recognised during the year.

The notes form part of these financial statements.

Balance Sheet as at March 31, 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		106,090,040		107,708,138
Current assets					
Stocks	13	374,437		387,960	
Debtors	14	8,597,495		8,120,766	
Cash and cash equivalents	15	78,777		2,266,183	
		9,050,709		**10,774,909**	
Creditors: amounts falling due within one year	16	**(51,240,800)**		**(9,710,796)**	
Net current (liabilities)/assets			(42,190,091)		1,064,113
Total assets less current liabilities			**63,899,949**		**108,772,251**
Creditors: amounts falling due after more than one year	17		(219,244)		(38,279,795)
Net assets			**63,680,705**		**70,492,456**
Capital and reserves					
Share capital	21		56,527,912		56,527,912
Share premium	22		1,191,976		1,191,976
Profit and loss account	22		5,960,817		12,772,568
			63,680,705		**70,492,456**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

....

N Chandrasekhar
Director

Date: May 05, 2021

The notes form part of these financial statements.

Statement of Changes in Equity

for the Year Ended March 31, 2021

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At April 1, 2020	56,527,912	1,191,976	12,772,568	70,492,456
Comprehensive income for the year				
Profit for the year and total comprehensive income	-	-	(6,811,751)	(6,811,751)
At March 31, 2021	**56,527,912**	**1,191,976**	**5,960,817**	**63,680,705**

for the Year Ended March 31, 2020

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At April 1, 2019	56,527,912	1,191,976	9,458,959	67,178,847
Comprehensive income for the year				
Profit for the year and total comprehensive income	-	-	3,313,609	3,313,609
At March 31, 2020	**56,527,912**	**1,191,976**	**12,772,568**	**70,492,456**

The notes form part of these financial statements.

Cash Flow Statement for the year ended March 31, 2021

	2021 £	2020 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(6,811,751)	3,313,609
Adjustments for:		
Depreciation of tangible assets	3,852,497	3,923,200
Loss on disposal of tangible assets	-	8,583
(Gain)/loss on derivatives	(140,580)	44,622
Interest payable	1,232,141	1,305,614
Interest received	(1,464)	(10,502)
Taxation charge	(926,052)	442,429
Decrease in stocks	13,523	16,706
Decrease in debtors	449,323	1,246,792
(Decrease) in creditors	(1,816,499)	(1,936,184)
Net cash generated from operating activities	**(4,148,862)**	**8,354,869**
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,349,400)	(3,236,345)
Interest received	1,464	10,502
Interest paid on lease	(14,872)	(7,903)
Net cash from investing activities	**(2,362,808)**	**(3,233,746)**
Cash flows from financing activities		
New secured loans	7,000,000	4,000,000
Repayment of loans	(1,500,000)	(7,500,000)
Repayment of finance leases	(84,903)	(50,741)
Interest paid	(1,075,833)	(1,187,423)
Loan arrangement costs	(15,000)	(15,000)
Net cash generated from/(used in) financing activities	**4,324,264**	**(4,753,164)**
Net (decrease)/increase in cash and cash equivalents	(2,187,406)	367,959
Cash and cash equivalents at beginning of year	2,266,183	1,898,224
Cash and cash equivalents at the end of year	**78,777**	**2,266,183**

The notes form part of these financial statements.

Notes to the Financial Statements for the year ended March 31, 2021

1. General information

St James Court Hotel Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The company registration number and address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at March 31, 2021 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

2.3 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors report on pages 5 - 7 of these financial statements. These financial statements have been prepared on a going concern basis nothwithstanding net current liabilities of £42.19 million as set out below:

As at March 31, 2021, the Company reported net assets of £63.68 million (2020: £70.49 million).

In accordance with UK government requirements, St. James Court Hotel Limited temporarily closed its hotels to the public from March 24, 2020 and both hotels have remained closed for large periods of the last 12 months. The board currently anticipates that in line with the government road map, they expect the easing of lock down measures to take full effect from June 2021. However, the directors acknowledge that the environment is continuously changing and, as such, projecting when the impacts of Coronavirus may ease and when and how the containment restrictions will be lifted is challenging.

In order to mitigate the associated impacts on revenue during this time, and to protect the longer term interests of the Company and its employees, the Company has taken measures to reduce its cost base and is utilising various government schemes available including taxation 'time to pay' arrangements and the Coronavirus Job Retention Scheme. The Coronavirus Business Interruption Loan Scheme (CBILS), although available to the Company and offered by its Bankers is not considered either necessary or appropriate to avail now, given the independent

Notes to the Financial Statements for the year ended March 31, 2021

arrangements that the Company already has in place (detailed below). The Directors however have the ability to take recourse to this Scheme, should such a need arise.

The company meets its day-to-day working capital requirements through use of its cash, operating earnings and lines of credit provided by its Financiers, Standard Chartered Bank. The Company's current external financing arrangement includes three tranches, comprising a term loan of £44.50 million, an overdraft facility of £5 million and a revolving credit facility of £15 million. As at the date of approval of these financial statements, the Company has an amount of £4 million that remains undrawn under the revolving credit facility. The Company has had the support of its Financiers throughout that last 12 months and obtained a waiver from its trading covenant obligations as at March 31, 2021. The net liability position as noted above is a consequence of the line of credit falling due for repayment in August 2021.

The Company has concluded a refinancing of this line of credit, by executing a Facility agreement with its Financiers enabling it to further meet its obligations up until June 2022. This facility comprises a term loan of £50 million and a revolving credit facility of £6 million, with no capital repayments due until 2024 and no trading covenant test until March 31, 2023.

In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts for the period until June 2022. These forecasts reflect scenarios representing the current and future challenges of the Covid-19 pandemic and include estimations of the impact on revenue and liquidity. Whilst it is difficult to estimate the impact of Covid-19 due to its inherent impact on the hospitality industry, the base case and downside cash flow forecasts include current assumptions based on the level of trade achieved throughout 2020 and reflect predictions for the recovery of the sector from various external sources.

Base case forecasts assume that in line with the Governments roadmap, lock down measures will ease and take full effect from June 2021 and a gradual recovery thereafter. Specifically, in light of COVID-19 impacts, the Company has also considered severe but plausible downsides in preparing forecasts which includes the following additional sensitivities: (i) delayed execution of government's roadmap for lifting lockdown restrictions; (ii) additional 2 month's lockdown during the winter months. These downsides forecast trading to commence at levels of less than 20% of those experienced during 2019-20, increasing slowly during 2021 and not reaching a level consistent with that experienced during 2019 until after June 2022.

The base case and downside forecasts indicate that the company will be able to meet its obligations from the amounts available under these facilities and be in compliance with all covenant arrangements. Specifically the Directors note that the fair value of the Company's properties as valued by CBRE as of July 2020 was more than £166 million offering substantial headroom against the loan to value covenant of 50%

Given the circumstances of enforced closure, the value of the Company's hotel properties and the low Loan to Value Ratios, the Directors are confident that while not necessary under even the severe but plausible downside the Company could successfully obtain alternative funding if required, for example through:

a. CBILS Scheme

b. Financial Support from its ultimate holding company

Based on the above, the directors believe that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore it remains appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long term leasehold property	-	Over term of lease
Fixtures, fittings and equipment	-	5% to 20% straight line
Leasehold building surfaces	-	30 years straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

2.6 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivables as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Notes to the Financial Statements for the year ended March 31, 2021

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.11 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

2.14 Hedge accounting

The company uses variable to fixed interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in the statement of comprehensive income for the year.

2.15 Government grants

Money received in the form of a government grant is treated as revenue grant. Therefore, grant income is recorded within other income in the income statement on a systematic basis in the same periods as the related expenses incurred.

2.16 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the Financial Statements for the year ended March 31, 2021

2.17 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.18 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.
- Determine the likelihood of future taxable profits are probable to utilize against the deferred tax asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)

  Tangible fixed assets are reviewed for impairment if there are any indicators to suggest the carrying value may not be recoverable. Recoverable amounts are based on fair values which have been derived from external valuations.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Room revenue	2,624,468	32,223,813
Food and beverage	534,496	5,840,370
Other	180,706	1,113,625
	3,339,670	**39,177,808**

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Other operating income	**3,687,981**	-

The company has received grants under the Government's furlough scheme which has been created for the purpose of supporting businesses during the pandemic. The grants are given for specified staff over a specified period of time during which they are not permitted to work for the company. The grants are recognised on a time basis consistent with the period of furlough experienced by staff. The grant is not repayable providing the conditions of grant have been met; the company believes it has met all the required conditions.

6. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	3,852,497	3,923,200
Other operating lease rentals	879,967	879,750
Exchange gains	13,039	(18,044)
Defined contribution pension cost	201,748	231,537

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	42,800	42,800
Audit related assurance services	100,013	97,100

Notes to the Financial Statements for the year ended March 31, 2021

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	5,946,636	7,721,646
Social security costs	526,012	693,887
Cost of defined contribution scheme	201,748	231,537
	6,674,396	**8,647,070**

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Operations	221	247
Administration	32	35
	253	282

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	293,755	174,373

The highest paid director received remuneration of £155,357 (2020 - £174,373).

Directors remuneration for the current year includes amounts paid to Manchan Limited, a company controlled by a director.

10. Interest payable and similar charges

	2021 £	2020 £
Bank interest payable	1,077,181	1,157,623
Other loan interest payable	140,088	140,088
Finance leases and hire purchase contracts	14,872	7,903
Derivative fair value changes	(140,580)	44,622
	1,091,561	**1,350,236**

Notes to the Financial Statements for the year ended March 31, 2021

11. Taxation

	2021 £	2020 £
Deferred tax		
Origination and reversal of timing differences	(911,209)	1,324,407
Changes to tax rates	-	(881,978)
Adjustments in respect of prior periods	(14,843)	-
Taxation on profit on ordinary activities	**(926,052)**	**442,429**

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of19% (2020 -19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	(7,737,803)	3,756,038
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,470,183)	713,647
Effects of:		
Expenses not deductible for tax purposes	1,558	58,696
Fixed asset differences	557,416	557,469
Adjustments to tax charge in respect of prior periods - deferred tax	(14,843)	-
Additional deduction for land remediation expenditure	-	(822)
Effect of tax rate change on opening balance	-	(882,461)
Deferred tax not recognised - prior year adjustment	-	(4,100)
Total tax (credit)/charge for the year	**(926,052)**	**442,429**

Factors that may affect future tax charges

As at March 31, 2021 the company had unrelieved trading losses of approximately £39.4m (2020 - £35.2m) available to set off against future profits. See further details in note 20.

In the March 3, 2021 Budget it was announced that the UK tax rate will increase to 25% from April 1, 2023. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax asset in respect of tax losses would have increased by up to £2.4m.

12. Tangible fixed assets

	Long term leasehold property £	Furniture, fittings and equipment £	Assets under course of construction £	Total £
Cost				
At April 1, 2020	132,451,400	20,195,129	1,612,026	154,258,555
Additions	-	97,942	2,136,457	2,234,399
Disposals	-	(88,841)	-	(88,841)
At March 31, 2021	**132,451,400**	**20,204,230**	**3,748,483**	**156,404,113**
Depreciation				
At April 1, 2020	34,519,507	12,030,910	-	46,550,417
Charge for the year	2,527,447	1,325,050	-	3,852,497
Disposals	-	(88,841)	-	(88,841)
At March 31, 2021	**37,046,954**	**13,267,119**	**-**	**50,314,073**
Net book value				
At March 31, 2021	**95,404,446**	**6,937,111**	**3,748,483**	**106,090,040**
At March 31, 2020	**97,931,893**	**8,164,219**	**1,612,026**	**107,708,138**

Notes to the Financial Statements for the year ended March 31, 2021

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Furniture, fittings and equipment	**299,085**	389,331

Depreciation on assets held under finance leases or hire purchase contracts amounts to £90,246 (2020 - £53,528).

The recoverable amounts of the properties are determined from value in use calculations or fair value less costs to sell. Management makes use of an external valuation performed by a RICS qualified valuer in assessing the recoverable amount of the properties. The key assumptions used are in relation to discount and growth rates. Growth rates incorporate occupancy, room rate, volume and direct cost changes. Management used a pre-tax discount factor of 7.50% (2020: 7.50%) over the forecast period. Consideration of impairment to the carrying value of assets has been made and the directors concluded that the individual carrying values of the operating assets are supportable by the value in use or fair value less costs to sell. The impact of the current economic conditions and rebuild in trade following reopening as a result of Covid-19 has also been considered in arriving at this conclusion.

13. Stocks

	2021 £	2020 £
Stocks	**374,437**	387,960

The stocks consist of food and beverage, merchandise for sale, housekeeping and maintenance materials. The directors are of the opinion that the replacement cost of these stocks is not significantly different to their carrying value.

14. Debtors

	2021 £	2020 £
Trade debtors	51,289	189,116
Amounts owed by group undertakings	55,193	135,305
Other debtors	352,118	184,850
Prepayments and accrued income	158,457	557,109
Deferred taxation (see note 20)	7,980,438	7,054,386
	8,597,495	**8,120,766**

Deferred taxation asset due after one year amounts to £7,980,438 (2020 - £7,054,386)

All other amounts shown under debtors fall due for payment within one year.

15. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**78,777**	2,266,183

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	48,703,363	5,369,912
Trade creditors	694,146	1,061,567
Amounts owed to group undertakings	161,973	259,077
Other taxation and social security	125,052	350,298
Obligations under finance lease and hire purchase contracts	88,498	84,904
Other creditors	686,795	412,169
Accruals and deferred income	657,862	2,172,869
Financial instruments	123,111	-
	51,240,800	**9,710,796**

Accruals and deferred income above includes interest payable of £113,152 (2020 - £111,805) and accruals in relation to purchase of tangible fixed assets of £91,488 (2020 - £206,489).

17. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	-	37,708,362
Net obligations under finance leases and hire purchase contracts	219,244	307,742
Financial instruments	-	263,691
	219,244	**38,279,795**

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Within one year	48,750,000	5,500,000
Between two and five years	-	37,750,000
Less: issue costs	(46,637)	(171,725)
	48,703,363	**43,078,274**

In 2017 a loan of £44,500,000 was undertaken at a floating rate of 3 month Sterling LIBOR + 1.65%. Repayments on the loan are £1.5m per annum (payable quarterly) with the balance repayable in August 2021. The bank loan is secured by a first mortgage charge on the assets of the company.

During the year 2018, a new revolving loan facility was taken for £ 15 Mn at a floating rate of 3 month Sterling LIBOR + 1.85%, against which the company had drawn down £11 Mn which is repayable on August 08, 2021. The company has now signed a term sheet for refinancing of the term loan, falling due in August 2021, with Standard Chartered Bank and Barclays Bank.

Notes to the Financial Statements for the year ended March 31, 2021

18. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**296,217**	**2,775,454**
Financial liabilities		
Derivative financial instruments designed as hedges of variable interest rate risk	(123,111)	(263,691)
Financial liabilities measured at amortised cost	(50,958,326)	(46,511,036)
	(51,081,437)	**(46,774,727)**

Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio comprise an interest rate swap.

19. Net debt reconciliation

	At April 1, 2020 £	Cash flows £	At March 31, 2021 £
Cash at bank and in hand	2,501,343	(2,422,566)	78,777
Bank overdrafts	(235,360)	235,360	-
Debt due after 1 year	(37,708,362)	37,708,362	-
Debt due within 1 year	(5,369,912)	(43,333,451)	(48,703,363)
Finance leases	(392,645)	84,903	(307,742)
	(41,204,936)	**(7,727,392)**	**(48,932,328)**

20. Deferred taxation

	2021 £	2020 £
At beginning of year	7,054,386	7,496,815
Credited/(charged) to the profit or loss	926,052	(442,429)
At end of year	**7,980,438**	**7,054,386**

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	449,893	287,343
Short term timing differences	46,061	72,771
Tax losses carried forward	7,484,484	6,694,272
	7,980,438	**7,054,386**

A deferred tax asset has been recognised for the anticipated utilisation of tax losses in the future financial years, as the directors believe it is more likely than not that sufficient taxable profits will be generated, once the COVID-19 pandemic is over.

21. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
56,527,912 Ordinary shares of £1 each	**56,527,912**	**56,527,912**

Notes to the Financial Statements for the year ended March 31, 2021

22. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

23. Capital commitments

At March 31, 2021 the company had capital commitments as follows:

	2021 £	2020 £
Contracted for but not provided in these financial statements	**3,066,287**	**4,190,000**

24. Commitments under operating leases

At March 31, 2021 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	878,883	879,750
Later than 1 year and not later than 5 years	3,440,725	3,469,825
Later than 5 years	76,641,666	77,491,666
	80,961,274	**81,841,241**

25. Related party transactions

The following entities are related parties of the company by virtue of being under the control of The Indian Hotels Company Limited.

The company also charged £17,000 (2020 - £116,042) in respect of rent and £Nil (2020 - £40,237) in respect of utilities to Taj International Hotels Limited. Taj International Hotels Limited recharged salary and related costs of £80,950 (2020 - £87,908) and sold goods of £34,410 (2020 - £278,520) to the company.

The Indian Hotels Company Limited charged the company £84,925 (2020 - £626,222) for expenses it incurred on behalf of the company, £100,191 (2020 - £1,175,334) in management fees. The company also charged £7,500 (2020 - expensed £740,077) in respect of incentive fees. The company during the year recovered costs of £272,777 (2020 - £473,002) which it incurred on behalf of The Indian Hotels Company Limited.

The company had the following balances with other related parties:

	2021 £	2020 £
Amount due from Taj International Hotels Limited	3,020	39,635
Amount due to The Indian Hotels Company Limited	(111,697)	(165,179)
Amount due from The Taj Trade and Transport Limited	1,897	1,897

26. Controlling party

The ultimate parent undertaking and the ultimate controlling party is the Indian Hotels Company Limited, incorporated in India. The financial statements of The Indian Hotels Company Limited are available from Mandlik House, Mandlik Road, Mumbai 400 001, India.

Independent Auditor's Report

To the shareholder of Good Hope Palace Hotels Proprietary Limited

Opinion

We have audited the financial statements of Good Hope Palace Hotels Proprietary Limited (the company) set out on pages 10 to 42, which comprise the statement of financial position as at March 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, the accounting policies and notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Good Hope Palace Hotels Proprietary Limited as at March 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 23 to the financial statements, which indicates that the company incurred a net profit of R80,664,392 during the year ended March 31, 2021 mainly due to foreign exchange gains on USD denominated loans, and, as of that date, the company's current liabilities exceed its current assets by R1,298,389, and its total liabilities exceeded its total assets by R396,675,654. COVID-19 has significantly impacted the company and note 24 describes the uncertainties caused by COVID-19 on the continuation of the company's activities and the future prospects, performance and cashflows. Additionally, the Company is reliant on the ongoing financial support provided by its shareholder. These events or conditions, along with other matters as set forth in Note 23, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Good Hope Palace Hotels Proprietary Limited Annual Financial Statements for the year ended March 31, 2021", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor’s Report (Contd.)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.

Per I Jeewa
Chartered Accountant (SA)
Registered Auditor
Director
June 2, 2021

Statement of Financial Position as at March 31, 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	268,782,544	278,211,940
Right of use assets	3	8,474,444	11,518,435
Intangible assets	4	347,426	570,630
Total Non-Current Assets		**277,604,414**	**290,301,005**
Current Assets			
Inventories	6	21,059,210	20,977,222
Trade and other receivables	7	3,676,956	13,065,983
Cash and cash equivalents	8	3,233,541	5,192,018
Total Current Assets		**27,969,707**	**39,235,223**
Total Assets		**305,574,121**	**329,536,228**
Equity and Liabilities			
Equity			
Share capital	9	299,208,909	1,000
Accumulated loss		(695,884,563)	(776,548,955)
Total Equity		**(396,675,654)**	**(776,547,955)**
Liabilities			
Non-Current Liabilities			
Loans from group companies	5	315,627,446	371,837,353
Loans and other borrowings	10	351,241,748	672,018,624
Finance lease liabilities	11	6,112,485	9,005,597
Total Non-Current Liabilities		**672,981,679**	**1,052,861,574**
Current Liabilities			
Finance lease liabilities	11	2,898,586	2,874,023
Trade and other payables	12	15,369,510	39,348,586
Bank overdraft	8	11,000,000	11,000,000
Total Current Liabilities		**29,268,096**	**53,222,609**
Total Liabilities		**702,249,775**	**1,106,084,183**
Total Equity and Liabilities		**305,574,121**	**329,536,228**

Statement of Profit or Loss and Other Comprehensive Income

for the year ended March 31, 2021

	Note(s)	2021 R	2020 R
Revenue	13	13,172,322	137,202,883
Cost of goods - food - staff cafeteria		(3,415,763)	(28,268,384)
Gross profit		**9,756,559**	**108,934,499**
Other income		-	82,653
Operating expenses		(50,585,586)	(115,149,146)
Impairment loss on trade receivables		(692,257)	(1,700,625)
Foreign exchange gain unrealised		167,768,984	-
Foreign exchange (loss) unrealised		(33,807,503)	(162,938,257)
Foreign exchange gain/(loss) realised		9,017,420	(542,891)
Operating profit/(loss)	14	**101,457,617**	**(171,313,767)**
Interest income		66,129	12,710
Interest paid	15	(20,859,354)	(29,435,837)
Profit/(loss) for the year		**80,664,392**	**(200,736,894)**
Other comprehensive income		-	-
Total comprehensive income for the year		**80,664,392**	**(200,736,894)**

Statement of Changes in Equity for the year ended March 31, 2021

	Share capital R	Accumulated loss R	Total equity R
Balance at April 01, 2019	1,000	(575,812,061)	(575,811,061)
Loss for the year	-	(200,736,894)	(200,736,894)
Other comprehensive income	-	-	-
Total comprehensive Income for the year	**-**	**(200,736,894)**	**(200,736,894)**
Balance at April 01, 2020	**1,000**	**(776,548,955)**	**(776,547,955)**
Adjustment on intial application of IFRS 16, net of tax	-	-	-
Profit for the year		80,664,392	80,664,392
Other comprehensive income	-	-	-
Total comprehensive Income for the year	**-**	**80,664,392**	**80,664,392**
Issue of shares	299,207,909	-	299,207,909
Total contributions by and distributions to owners of company recognised directly in equity	**299,207,909**	**-**	**299,207,909**
Balance at March 31, 2021	**299,208,909**	**(695,884,563)**	**(396,675,654)**
Note(s)	9		

Statement of Cash Flows for the year ended March 31, 2021

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash generated from operations	17	(33,855,093)	7,475,216
Interest received		66,129	12,710
Interest paid		(22,012,797)	(28,740,556)
Net cash utilised by operating activities		**(55,801,761)**	**(21,252,630)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,199,556)	(6,896,353)
Purchase of other intangible assets	4	(74,310)	(82,943)
Net cash utilised by investing activities		**(953,129)**	**(6,979,296)**
Cash flows from financing activities			
Received Funds from shareholder	9	299,207,909	-
Borrowing costs paid		-	(594,025)
Borrowing costs paid to third party		(240,240,000)	-
Loans (repaid)/received from related parties		-	17,215,250
Payment of lease liabilities		(3,850,759)	(3,587,639)
Net cash from financing activities		**55,117,150**	**13,033,586**
Total cash movement for the year		**(1,958,477)**	**(15,198,340)**
Cash at the beginning of the year		(5,807,982)	9,390,358
Total cash at end of the year	8	**(7,766,459)**	**(5,807,982)**

Accounting Policies for the year ended March 31, 2021

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The financial statements have been prepared on the historic cost convention, and incorporate the principal accounting policies set out below. They are presented in South African Rands. They were authorised for issue by the Company's board of directors on June 1, 2021.

1.1 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of buildings, plant and machinery, operating equipment, artwork, audio and video, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

1.2 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Upon initial recognition assets are recognised at cost. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Installation and other costs, which comprise materials and direct labour costs necessarily incurred in order to acquire property, plant and equipment and capitalised borrowing costs, are also included in cost.

When parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on the disposal of property, plant and equipment, comprising the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss.

The assets' residual values, if not insignificant, and useful lives are reviewed and adjusted if appropriate, at each reporting date.

Property, plant and equipment are depreciated on the straight line basis over their expected useful live to their estimated residual value.

Subsequent costs

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits embodied with the item will flow to the company and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item		Average useful life
Buildings	Straight line	65 years
Plant and machinery	Straight line	12 - 20 years
Furniture and fixtures	Straight line	6 years
Office furniture and equipment	Straight line	6 years
Hotel operating equipment	Straight line	2 - 3 years
IT equipment	Straight line	4 years
Artwork	Straight line	20 years
Audio and video	Straight line	6 years

The average useful life of the buildings has been reassessed to 65 years in the current year from 40 years in the prior financial year, the residual value is determined as 5%.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Accounting Policies for the year ended March 31, 2021 (Contd.)

Assets which the company holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	6 years

1.4 Financial instruments

Initial recognition and measurement

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is limited and therefore does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in administrative expenses in profit or loss as a movement in credit loss allowance (note 7).

Write-off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 7).

Accounting Policies for the year ended March 31, 2021 (Contd.)

Loans from group companies, loans and other borrowings

Classification

Loans from group companies (note 5) loans and other borrowings (note 10) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in interest expense (note 15).

Borrowings expose the company details of risk exposure and to liquidity and interest rate risk. Refer to note 21 for management thereof.

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT and deposits, are classified as financial liabilities and are subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Accounting Policies for the year ended March 31, 2021 (Contd.)

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the company uses the definition of a lease in IFRS 16.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgements and sources of estimation uncertainty section of these accounting policies.

The company recognizes a right-of-use-asset and a lease liability at the lease commencement date. The right-of-use-asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and any lease incentives received.

The company elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short term leases. A threshhold of R100,000 and a lease term of 12 months was used to identify leases of low value assets and short term leases respectively. It was determined that no such leases were in existence on transition.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, being 2 to 4 years.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate as the discount rate.

The incremental borrowing rate is determined by obtaining interest rates from the bank and making certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments; and
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, and if the company changes it assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right of use assets and lease liabilities are recorded in the Statement of Financial Position.

Finance lease - lessee

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at no par value and classified as ‘share capital’ in equity. Dividends are recognised as a liability in the year in which they are declared.

Accounting Policies for the year ended March 31, 2021 (Contd.)

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

1.11 Revenue

Revenue from contracts with customers

Revenue is income arising in the course of an entity's ordinary activities.

A contract with a customer is recognised when all of the following criteria are met:

- the contract has been approved and all parties to the contract are committed to performing their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods or services that will be transferred will be collected.

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Sale of goods

Revenue is recognised on a contract by contract basis.

The performance obligation of the entity is the delivery of goods to the customer. The entity's revenue is derived from selling goods. Revenue recognition is deferred to the point when control transfers to the customer.

There is no variable consideration and is therefore not part of the contract.

Rendering of services

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to a customer. Revenue is recognised on a contract by contract basis.

The performance obligation of the entity is the delivery of services to the customer. The entity's revenue is derived from providing accommodation and other services. Revenue recognition occurs when the performance obligation to the customer is satisfied.

1.12 Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recongnised using the effective interest method.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

-the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset when the asset is not credit impaired or to the amortised cost of the liability. However, the financial assets that have become credit impaired subsequent to the inital recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

1.13 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented with finance costs.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	24,738,306	-	24,738,306	24,738,306	-	24,738,306
Buildings	280,097,279	(73,134,162)	206,963,117	280,097,279	(69,559,761)	210,537,518
Plant and machinery	79,199,653	(48,610,152)	30,589,501	79,170,798	(44,072,570)	35,098,228
Furniture and fixtures	36,580,928	(33,135,050)	3,445,878	35,995,691	(32,140,594)	3,855,097
Office furniture and equipment	1,059,069	(1,047,787)	11,282	1,059,069	(1,039,450)	19,619
Hotel and operating equipment	10,489,210	(9,364,075)	1,125,135	9,989,549	(8,970,477)	1,019,072
IT equipment	4,468,806	(4,046,391)	422,415	4,383,001	(3,780,977)	602,024
Artwork	3,208,898	(1,782,491)	1,426,407	3,208,898	(1,622,046)	1,586,852
Audio and video	7,543,244	(7,489,683)	53,561	7,543,244	(7,444,610)	98,634
Capital work in progress	6,942	-	6,942	656,590	-	656,590
Total	**447,392,335**	**(178,609,791)**	**268,782,544**	**446,842,425**	**(168,630,485)**	**278,211,940**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	24,738,306	-	-	-	24,738,306
Buildings	210,537,518	-	-	(3,574,401)	206,963,117
Plant and machinery	35,098,228	28,855	-	(4,537,582)	30,589,501
Furniture and fixtures	3,855,097	585,236	-	(994,455)	3,445,878
Office furniture and equipment	19,619	-	-	(8,337)	11,282
Hotel and operating equipment	1,019,072	499,661	-	(393,598)	1,125,135
IT equipment	602,024	85,804	-	(265,413)	422,415
Artwork	1,586,852	-	-	(160,445)	1,426,407
Audio and video	98,634	-	-	(45,073)	53,561
Capital work in progress	656,590	-	(649,648)	-	6,942
	278,211,940	**1,199,556**	**(649,648)**	**(9,979,304)**	**268,782,544**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	24,738,306	-	-	-	-	24,738,306
Buildings	214,885,592	2,586,588	-	-	(6,934,662)	210,537,518
Plant and machinery	40,102,745	255,926	-	(876,189)	(4,384,254)	35,098,228
Furniture and fixtures	1,455,897	3,353,039	-	-	(953,839)	3,855,097
Office furniture and equipment	28,393	-	-	-	(8,774)	19,619
Hoel and operating equipment	864,952	470,786	-	-	(316,666)	1,019,072
IT equipment	706,581	171,379	-	-	(275,936)	602,024
Artwork	1,743,828	-	-	-	(156,976)	1,586,852
Audio and video	85,951	58,635	-	-	(45,952)	98,634
Capital work in progress	1,789,799	-	(1,133,209)	-	-	656,590
	286,402,044	**6,896,353**	**(1,133,209)**	**(876,189)**	**(13,077,059)**	**278,211,940**

The land relates to Interest of section 150 (previously section 100) in Erf 169470 registered in the township of Cape Town with Title Deed Number ST8233/2013 forming part of a sectional title scheme known long-term as “Taj Cape Town” with Sectional Plan Number D235/2012. The property, plant and equipment are held as security for the loan. See note 10.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

3. Right of use assets

	2021			2020		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Leasehold building	13,123,286	(4,774,818)	8,348,468	13,123,286	(2,108,754)	11,014,532
CCTV Cameras	876,189	(750,213)	125,976	876,189	(372,286)	503,903
Total	**13,999,475**	**(5,525,031)**	**8,474,444**	**13,999,475**	**(2,481,040)**	**11,518,435**

Reconciliation of right of use assets - 2021

	Opening balance	Depreciation	Total
Leasehold building	11,014,532	(2,666,064)	8,348,468
CCTV Cameras	503,903	(377,927)	125,976
	11,518,435	**(3,043,991)**	**8,474,444**

Reconciliation of right of use assets - 2020

	Opening balance	Additions	Assets reclassified	Depreciation	Total
Leasehold building	-	13,123,286	-	(2,108,754)	11,014,532
CCTV Cameras	-	-	876,189	(372,286)	503,903
	-	**13,123,286**	**876,189**	**(2,481,040)**	**11,518,435**

The company has two leases, as detailed below:

- One of the leases is for a portion of a floor in the adjacent building, as well as 10 specifically identifiable parking pays for the exclusive use of the company. The lease expires in January 2022, and the company does not intend to extend the lease by the renewal period.

- The other lease is for CCTV cameras. The lease expires in July 2021, after which the company will own the CCTV cameras.

4. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	3,615,893	(3,268,467)	347,426	3,541,583	(2,970,953)	570,630

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	570,630	74,310	(297,514)	347,426

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	769,946	82,943	(282,259)	570,630

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

5. Loans from group companies

	2021 R	2020 R
IHMS Hotels (SA) Proprietary Limited	(163,468,610)	(193,061,665)
The loan is unsecured, interest free and the shareholder has undertaken to provide ongoing financial support.		
Taj International Hotels (H.K.) Limited	(152,158,836)	(178,775,688)
The loan is unsecured, interest free and denominated in US$ 8,778,047.02 and ZAR22,122,910. The maturity of the loan is April 1, 2024.		
	(315,627,446)	**(371,837,353)**
Roll forward of loans from group companies: IHMS Hotels (SA) Proprietary Limited		
Opening balance	(193,061,665)	(186,368,665)
Advance	-	(6,693,000)
Repayment	7,470,145	-
Loan capitalised	22,122,910	-
	(163,468,610)	**(193,061,665)**
Roll forward of loans from group companies: Taj International Hotels (H.K.) Limited		
Opening balance	(178,775,688)	(138,200,932)
Advance	-	(10,522,250)
Foreign exchange gain/(loss)	26,616,852	(30,052,506)
	(152,158,836)	**(178,775,688)**

6. Inventories

	2021 R	2020 R
Food and beverage	1,445,124	1,533,011
Other supplies	2,402,385	1,961,781
Health Center supplies	1,151,747	1,422,476
Apartments held for sale	16,059,954	16,059,954
	21,059,210	**20,977,222**

7. Trade and other receivables

	2021 R	2020 R
Financial instruments		
Trade receivables	3,176,844	6,501,463
Loss allowance	(2,392,882)	(1,700,625)
Other receivables	2,660,991	7,763,170
Non-financial instruments		
Prepaid expenses	232,003	501,975
	3,676,956	**13,065,983**

Trade and other receivables are categorised as follows in accordance with IFRS 9:

	2021 R	2020 R
Financial instruments	3,444,953	12,564,008
Non-financial instruments	232,003	501,975
	3,676,956	**13,065,983**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date. As the company has a large customer base no indication or expectation of debtors defaulting in the near future, the expected credit loss rate was set as 0% on all categories of debtors.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments as there are many customers in one segment. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Expected credit loss rate - 2021	Estimated gross carrying amount at default	Loss allowance/ (lifetime expected credit loss)
Less than 30 days past due: 0%	510,441	-
31 - 60 days past due: 0%	136,444	-
60+ days past due: 94%	2,529,959	(2,392,882)
	3,176,844	**(2,392,882)**

Expected credit loss rate - 2020	Estimated gross carrying amount at default	Loss allowance/ (lifetime expected credit loss)
Less than 30 days past due: 0%	1,512,536	-
31 - 60 days past due: 0%	1,901,372	-
60+ days past due: 55%	3,087,555	(1,700,625)
	6,501,463	**(1,700,625)**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

	2021 R	2020 R
Cash on hand	41,291	99,552
Bank balances	3,176,273	5,062,374
Petty cash	15,977	30,092
	3,233,541	**5,192,018**
Bank overdraft	(11,000,000)	(11,000,000)
	(11,000,000)	**(11,000,000)**
Cash and cash equivalents	**(7,766,459)**	**(5,807,982)**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Revolving credit facility details;

Beneficiary	Good Hope Palace Hotels (Pty) Ltd
Facility type	Revolving Term Facility Loan
Bank approval facility amount	R11,000,000
Actual drawdown amount	R11,000,000
SCB indicated interest rate	All in rate 10.50%

9. Share capital

	2021 R	2020 R
Authorised		
500,000,000 Ordinary shares of no par value	500,000,000	250,000,000
Reconciliation of number of shares issued:		
Reported as at April 1, 2020	1,000	1,000
Issue of shares – ordinary shares	299,207,909	-
	299,208,909	**1,000**
Issued		
1 000 Ordinary shares of no par value	299,208,909	1,000

During the year as per restructuring agreement the loan of $ 18.35 million equivalent to R 277,085,000 have been converted into equity shares of 277,085,000 of the company, issued to Ihoco. The Zar loan of R 221,22,909 from Ihoco to IHMS delegated to GHPH and adjusted against loan account. The said delegated loan was capitalized. As a result the total number of shares increased from 1,000 to 299,208,909 as on the balance sheet date. With this restructuring process GHPH becomes wholly owned subsidiary of Ihoco BV.

10. Loans and other borrowings

	2021 R	2020 R
Held at amortised cost		
Standard Chartered Bank	355,530,364	678,146,920
The amount outstanding is US$ 24,000,000. Interest is calculated half yearly. The loan repayment is due on July 31, 2023.		
Interest is charged at 6month USD LIBOR plus 2.25% per annum.		
Refer to note 10 for the detail on security held for the Standard Chartered Bank loan.		
Debt raising fee	(4,288,616)	(6,128,296)
	351,241,748	**672,018,624**
Non-current liabilities		
At amortised cost	351,241,748	672,018,624
Roll forward of loans from bank		
Opening balance	678,146,920	548,017,512
Repayment	(240,240,000)	-
Exchange (gain)/loss	(82,376,556)	130,129,408
	355,530,364	**678,146,920**

11. Finance lease liabilities

Refer to note 3 for a description of the lease held and the associated right-of use asset.

Maturity anlaysis of lease payments

Leases under IFRS 16	2021	2020
Less than one year	2,898,586	2,874,023
One to two years	3,125,420	2,893,112
Two to three years	2,987,065	3,125,420
Three to four years	-	2,987,065
Total	**9,011,071**	**11,879,620**
Roll forward of lease liabilities		
Opening balance	11,879,620	14,585,403
Repayments	(3,850,759)	(3,587,639)
Interest	982,210	881,856
Closing balance	**9,011,071**	**11,879,620**

12. Trade and other payables

	2021 R	2020 R
Trade payables	7,267,042	24,099,421
Advance from customers	3,421,149	2,640,895
VAT payable	-	631,643
Accrued expenses	3,012,023	8,171,678
Interest accrued but not yet due	1,669,296	3,804,949
	15,369,510	**39,348,586**

Trade and other payables are categorised as follows in accordance with IFRS 7:

	2021 R	2020 R
Financial instruments	11,948,361	36,079,613
Non-financial instruments	3,421,149	3,268,973
	15,369,510	**39,348,586**

Trade and other payables classified as financial liabilities are measured at amortised cost and their carrying amount approximates their fair value. The average credit period is 30 days. No interest is charged on trade payables for the first 30 days from the date of the invoice. The company has financial risk management in place to ensure that all payables are paid within the credit timeframe.

13. Revenue

	2021 R	2020 R
Rendering of services over time	9,531,109	102,738,804
Sale of goods at a point in time	3,170,612	34,464,079
	12,701,721	**137,202,883**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Disaggregation of revenue from Contracts with Customers

	2021 R	2020 R
Revenue split		
Room income	7,859,160	94,007,935
Banqueting room hire	65,039	957,137
Banqueting equipment hire	110,236	743,022
Health club	1,314,406	4,168,099
Guest dry cleaning / Laundry	72,108	683,202
Transport	25,498	2,080,005
Other income	84,662	99,404
Food and beverage income	3,170,612	34,464,079
Total revenue from contracts with customers in South Africa	**12,701,721**	**137,202,883**

14. Operating profit

Operating profit/(loss) for the year is stated after charging (crediting) the following, amongst others:

	2021 R	2020 R
Auditor's remuneration - external		
Audit fees	181,000	400,000
Depreciation and amortisation		
Depreciation of right of use assets	3,043,991	2,481,040
Depreciation of property, plant and equipment	9,979,304	13,077,059
Amortisation of intangible assets	297,514	282,259
Total depreciation and amortisation	**13,320,809**	**15,840,358**
Other		
Other operating costs	2,727,431	3,933,877
Repairs and maintenance	2,111,069	3,642,860
Advertising and publicity	2,004,622	6,263,437
Management fees	-	5,491,625
Travel agent commission	1,081,924	6,419,970
Credit card commission	195,112	2,356,658
Insurance	958,191	723,690
Municipal taxes	2,073,078	2,948,570
Professional fees	1,161,126	1,408,495
Power and fuel	5,415,716	8,580,104
Printing and stationery	325,609	972,564
TV channel subscription	231,607	769,253
	18,285,485	**43,511,103**
Employee costs		
Salaries, wages, bonuses and other benefits	18,798,292	55,397,685

15. Interest paid

	2021 R	2020 R
Interest on lease liabilities	982,210	881,856
Interest on third party borrowings	19,877,144	28,553,981
Total finance costs	20,859,354	29,435,837

16. Taxation

Major components of the tax expense
No provision has been made for current tax as the company has an assessed loss carried forward.

No deferred tax asset has been recognized on estimated accumulated tax losses as the Company has been incurring losses in previous years and the likelihood of recovering the assessed loss is not probable. The company has an accumulated assessed loss brought forward of R884,354,854 (2020: R961,161,177).

17. Cash (used in)/generated from operations

	2021 R	2020 R
(Loss)/profit before taxation	80,664,392	(200,736,894)
Adjustments for:		
Depreciation and amortisation	13,320,809	15,840,358
Unrealised foreign exchange (gain)	(167,768,984)	-
Unrealised foreign exchange loss	33,807,503	162,938,257
Realised foreign exchange (gain)/loss	-	542,891
Interest income	(66,129)	(12,710)
Interest paid	20,859,354	29,435,837
Changes in working capital:		
Increase in inventories	(81,988)	(1,391,790)
Decrease in trade and other receivables	9,389,027	2,745,030
Decrease in trade and other payables	(23,979,077)	(1,885,763)
	(42,872,513)	**7,475,216**

18. Related parties

Relationships	
Holding company	IHOCO B.V.
Ultimate holding company	The Indian Hotels Company Limited (IHCL)
Fellow subsidiaries	Taj International Hotels (H.K.) Limited IHMS Hotels (SA) Proprietary Limited
Directors	Nagarajan Chandrasekhar R H Parekh Len Brand (Resigned October 1, 2020) Ajay M. Ponkshe (Resigned October 1, 2020) Puneet Chhatwal (Appointed October 1, 2020) Mark James Wernich (Appointed October 1, 2020) J.J. Oldenburger (Appointed October 1, 2020)

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

	2021 R	2020 R
Related party balances		
Amounts owing to related parties		
Taj International Hotels (H.K.) Limited	152,158,836	178,775,688
IHMS Hotels (SA) Proprietary Limited	163,468,610	193,061,665
The Indian Hotels Company Limited	12,146	15,589,569
Amounts receivable from related parties		
IHMS Hotels (SA) Proprietary Limited	-	6,800,947
Transactions with IHMS Hotels (SA) Proprietary Limited	662,126	-
Receipt of loan financing		
Taj International Hotels (H.K.) Limited	-	10,522,250
IHMS Hotels (SA) Proprietary Limited	-	6,693,000
IHOCO B.V.(Converted into Equity)	277,085,000	-
Loan from Ihoco Bv to IHMS delegated to GHPH and adjusted against Loan (Converted to Equity)	22,122,909	-
Management fees to The Indian Hotels Company Limited	-	(5,491,625)
Transactions with The Indian Hotels Company Limited during the year	561,471	-
The Indian Hotels Company Limited has given a Corporate Guarantee of $ 40.95 Million to SCB for the loan of USD 38 million and RCF of R 11 million.	-	-

19. Directors' and prescribed officer's emoluments

Executive

2021	Emoluments	Total
Nagarajan Chandrasekhar*	-	-
R H Parekh*	-	-
Len Brand*	-	-
Ajay M. Ponkshe*	-	-
Puneet Chhatwal*	-	-
Mark James Wernich	-	-
J.J. Oldenburger*	-	-
	-	-

2020	Emoluments	Total
Nagarajan Chandrasekhar*	-	-
R H Parekh*	-	-
Len Brand*	-	-
Ajay M. Ponkshe*	-	-
S Pandya*	-	-
	-	-

The directors did not receive any remuneration from Good Hope Palace Hotels (Pty) Ltd for being a director, they are being paid a nil directors remuneration for services performed for this entity. These directors are remunerated at the parent level and none of their remuneration can be apportioned for this entity.

Prescribed officers

2021	Emoluments	Bonus	Total
Mark Wernich	1,723,223	210,924	1,934,147

2020	Emoluments	Bonus	Total
Mark Wernich	1,573,392	236,008	1,809,400

20. Financial instruments

	Note(s)	Amortised cost	Total	Fair value
Categories of financial instruments - 2021				
Assets				
Current Assets				
Trade and other receivables	8	3,444,953	3,444,953	-
Cash and cash equivalents	9	3,233,541	3,233,541	-
Total Current Assets - Financial Instruments		**6,678,494**	**6,678,494**	**-**
Liabilities				
Non-Current Liabilities				
Loans from group companies	6	315,627,446	315,627,446	-
Other financial liabilities	11	351,241,748	351,241,748	-
Lease liabilities	12	6,112,485	6,112,485	-
Total Non-Current Liabilities - Financial Instruments		**672,981,679**	**672,981,679**	**-**
Current Liabilities				
Trade and other payables	13	11,948,361	11,948,361	-
Lease liabilities	12	2,898,586	2,898,586	-
Bank overdraft	9	11,000,000	11,000,000	-
Total Current Liabilities - Financial Instruments		**25,846,947**	**25,846,947**	-
Total Liabilities - Financial Instruments		**698,828,626**	**698,828,626**	**-**
Categories of financial instruments - 2020				
Assets				
Current Assets				
Trade and other receivables	8	12,564,008	12,564,008	-
Cash and cash equivalents	9	5,192,018	5,192,018	-
Total Current Assets - Financial Instruments		**17,756,026**	**17,756,026**	**-**
Liabilities				
Non-Current Liabilities				
Loans from group companies	6	371,837,353	371,837,353	-
Other financial liabilities	11	672,018,624	672,018,624	-
Lease liabilities	12	9,005,597	9,005,597	-
Total Non-Current Liabilities - Financial Instruments		**1,052,861,574**	**1,052,861,574**	-
Current Liabilities				
Trade and other payables	13	36,079,613	36,079,613	-
Lease liabilities	12	2,874,023	2,874,023	-
Bank overdraft	9	11,000,000	11,000,000	-
Total Current Liabilities - Financial Instruments		49,953,636	49,953,636	-
Total Liabilities - Financial Instruments		**1,102,815,210**	**1,102,815,210**	**-**

Pre-tax gains and losses on financial instruments

Gains and losses on financial assets	Notes	Amortised Cost	Total
2021			
Recognised in profit and loss			
- interest income		66,129	66,129
2020			
Recognised in profit and loss			
- interest income	-	12,710	12,710

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Gains and losses on financial liabilities	Amortised Cost	Total
2021		
Recognised in profit and loss		
- finance costs	20,859,354	20,859,354
- foreign exchange gain	142,978,902	142,978,902
2020		
Recognised in profit and loss		
- finance costs	29,435,837	29,435,837
- foreign exchange losses	(163,481,148)	(163,481,148)

21. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings disclosed in notes 6 & 11, cash and cash equivalents disclosed in note 8, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt. There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

* Credit risk;

* Liquidity risk; and

* Interest rate risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company does not speculate in or engage in the trading of financial instruments to hedge certain risk exposures.

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.

The company is exposed to credit risk on trade and other receivables, cash deposits and cash equivalents.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 30 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forwardlooking information is generally more readily available on a collective basis.

Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macroeconomic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables.

Trade receivables comprise of many customers. Management evaluated credit risk relating to customers on an ongoing basis. The granting of credit risk is made on application and is approved by management. At year end the company did not consider there to be any significant concentration of credit risk which has not been insured or adequately provided for.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The maximum exposure to credit risk is presented in the table below:

	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
2021			
Trade and other receivables	5,837,835	(2,392,882)	3,444,953
Cash and cash equivalents	3,233,541	-	3,233,541
	9,071,376	**(2,392,882)**	**6,678,494**
2020			
Trade and other receivables	14,264,633	(1,700,625)	12,564,008
Cash and cash equivalents	5,192,018	-	5,192,018
	19,456,651	**(1,700,625)**	**17,756,026**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

At March 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	-	351,241,748	351,241,748
Bank overdraft	11,000,000	-	-	11,000,000
Trade and other payables	13,700,321	-	-	13,700,321
Shareholder loans	-	-	156,652,778	156,652,778
Lease liabilities	2,898,586	3,125,420	2,987,065	9,011,071

At March 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	-	672,018,624	672,018,624
Bank overdraft	11,000,000	-	-	11,000,000
Trade and other payables	36,079,613	-	-	36,079,613
Shareholder loans	-	-	371,837,353	371,837,353
Lease liabilities	2,874,023	9,005,597	-	11,879,620

Interest rate risk

The company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the company to interest rate risk. During 2019 and 2018, the company's borrowings at variable rates were denominated in the Dollars.

Interest rate profile

Variable rate instruments	Note	Average effective interest rate 2021	Average effective interest rate 2020	Carrying amount2021	Carrying amount 2020
Assets					
Cash and cash equivalents		0.24%	0.24%	3,233,541	5,192,018
Liabilities					
Borrowings and bank overdraft		6.50%	6.50%	362,241,748	694,018,624

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At March 31, 2021, if the interest rate had been 1% per annum (2020– 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R3,590,082 (2020 – R6,888,266) lower/higher.

Foreign exchange risk

Management has set up a policy that requires group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the company treasury. To manage their foreign exchange risk arising from future commercial transactions and recognise assets and liabilities, entities in the company use forward contracts, transacted with company treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Foreign currency exposure at the end of the reporting period

	2021 R	2020 R
Liabilities		
Standard Charted Bank		
Long term loan, USD 24 000 000 loan (2020: USD 38 000 000)	355,530,364	678,146,920
Taj International Hotels (H.K.) Limited		
Long term loan, USD 8 778 047 (2020: USD 8 778 047)	130,035,927	156,652,778

The following signigicant exchange rates applied during the year:

	Average rate		Closing rate	
Financial instrument	2021	2020	2021	2020
USD	16.30	14.78	14.81	17.85

A 10 percent weakening of the Rand against the US dollar would decrease profit or loss as shown below. The analysis assumes that all other variables reamin constant. The analysis was performed on the same basis for 2020.

Profit or loss	10% weakening	10% weakening
Financial assets	(48,556,629)	(83,479,887)

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

22. Fair value information

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arms-length transaction, other than in a forced liquidation sale.

23. Going concern

The first few months of 2020 have been characterised by the global impact of the COVID-19 virus. The South African economy was affected by the news of the first confirmed cases of the virus in the country early in March 2020 and this led to the President declaring a national disaster on March 15, 2020. The President made a further announcement on March 23, 2020 that the country will effectively be placed in a lockdown from midnight on March 26, until April 16, 2020, which was subsequently extended for an additional 14 days. As part of the announcement, certain industries and sectors were identified as essential services which could continue to operate during the lockdown, albeit at various levels of capacity, provided government regulated health and safety measures were adhered to. Companies providing non-essential services, including our hotel, were ordered to close and were not permitted to operate.

On April 23, 2020, the government announced that the lockdown will be gradually phased out based on a risk-adjusted strategy for the resumption of economic activity categorised into five levels. Effective May 1, 2020, South Africa was moved from level five to level four, which allows for certain sectors and industries to reopen provided strict health and safety requirements are met, with employees returning to work in phases. Under level four, borders remain closed, with limited movement of people and goods allowed. The President further announced on May 24, 2020, that the country would move to alert level three from June 1, 2020. Alert level three to one would allow a progressively greater relaxation of restrictions. Presently the country is in level one which means restrictions of movements from 12.00 AM to 5.00 AM. The inbound international travels are still suspended.

The company's income for 2022 to date has been still impacted by reduced footfall and income in our hotels and the cancellation of planned travel, suspension of international flights, corporate functions and conferences due to the perceived health risks. Management expects the anticipated decrease in income to have a negative, but currently unquantifiable, impact on the results for the 2022 financial year. The business is expected to be better with relaxed restrictions as compared to the previous year. Major steps have been taken to realign operations and a reduction in major fixed costs like payroll, lease rentals, and other contracts. All the outsourced staff have been put on hold and shall be used on a need basis. All vacancies are frozen for near future. Renovation plans have been deferred. All the subscriptions have been cut down to zero in no business period and vendor discussions initiated for reduction in rates in future. The company is dependent upon the support of the shareholders and the holding company and has received $18.35 million as an interest free loan during the year. As a result the company has been able repay the loan of $14 million from SCB and also met their obligations in the ordinary course of business. The said loan has been converted to equity on March 31, 2021 after obtaining necessary approvals from SARB.

The Company earned a profit for the year ended March 31, 2021 of R80,664,392 (2020: loss of R200,736,894). The profit in the current year was due to a gain on exchange difference on US denominated loans. The foreign exchange gain for the current year was R142,978,901 (2020: (R163,481,148) loss).

As at March 31, 2021, the Company's total liabilities exceeded its total assets by R695,884,563 (2020:- R776,547,955). The loans from Ihoco and IHMS have been converted into equity. As at March 31, 2021, the Company's current liabilities exceeded its current assets by R1 298,389 (2020: R13,987,386). The shareholders of the holding company have provided letters of support to provide ongoing financial support to the Company for a period of at least 12 months from the date of the financial statements for the captioned year.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

However, should the financial support from the shareholders of the holding company not be received a material uncertainty exists which may cast significant doubt about the Company's ability to continue as a going concern and, therefore the Company may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

24. Events after the reporting period

No material events or circumstances which require adjustment to, or disclosure in, these financial statements have occurred subsequent to year end and up to the date of signature of the financial statements.

25. New accounting standards and interpretations

There are no new accounting standards in the current financial year.

Independent Auditor's Report

To the shareholder of IHMS Hotels (SA) Proprietary Limited

Opinion

We have audited the financial statements of IHMS Hotels (SA) Proprietary Limited (the company) set out on pages 10 to 24, which comprise the statement of financial position as at March 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, and a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of IHMS Hotels (SA) Proprietary Limited as at March 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "IHMS Hotels (SA) Proprietary Limited Annual Financial Statements for the year ended March 31, 2021", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (Contd.)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.

Per I Jeewa
Chartered Accountant (SA)
Registered Auditor
Director
June 2, 2021

Statement of Financial Position as at March 31, 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Investment in subsidiary	2	-	1,000
Loan to Group company	4	163,468,610	193,061,665
Total Non-Current Assets		**163,468,610**	**193,062,665**
Current Assets			
Cash and cash equivalents	5	6,840	-
Total Current Assets		**6,840**	**-**
Total Assets		**163,475,450**	**193,062,665**
Equity and Liabilities			
Equity			
Share capital	6	173,479,916	173,479,916
Accumulated loss		(10,004,466)	(9,341,341)
Total Equity		**163,475,450**	**164,138,575**
Liabilities			
Non-Current Liabilities			
Loan from group company	3	-	22,122,910
Total Non-Current Liabilities		**-**	**22,122,910**
Current Liabilities			
Trade and other payables	7	-	6,800,947
Bank overdraft	5	-	233
Total Current Liabilities		**-**	**6,801,180**
Total Liabilities		**-**	**28,924,090**
Total Equity and Liabilities		**163,475,450**	**193,062,665**

Statement of Profit or Loss and Other Comprehensive Income

for the year ended March 31, 2021

	Note(s)	2021 R	2020 R
Operating expenses		(663,125)	(178,960)
Operating loss	8	**(663,125)**	**(178,960)**
Loss for the year		**(663,125)**	**(178,960)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(663,125)**	**(178,960)**

Statement of Changes in Equity for the year ended March 31, 2021

	Share capital R	Accumulated loss R	Total equity R
Balance at April 1, 2019	**173,479,916**	**(9,162,381)**	**164,317,535**
Loss for the year	-	(178,960)	(178,960)
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**(178,960)**	**(178,960)**
Balance at April 1, 2020	**173,479,916**	**(9,341,341)**	**164,138,575**
Loss for the year	-	(663,125)	(663,125)
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**(663,125)**	**(663,125)**
Balance at March 31, 2021	**173,479,916**	**(10,004,466)**	**163,475,450**
Note(s)	6		

Statement of Cash Flows for the year ended March 31, 2021

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash (used in)/generated from operations	10	(7,464,072)	6,686,798
Net cash (utilized)/generated by operating activities		**(7,464,072)**	**6,686,798**
Cash flows from financing activities			
Sale of investments		999	-
Decrease\(Increase) of loan to group company		-	(6,693,000)
Current account dues payable to GHPH adjusted against loan account		7,470,146	-
Net cash from financing activities		**7,471,145**	**(6,693,000)**
Total cash movement for the year		**7,073**	**(6,202)**
Cash at the beginning of the year		(233)	5,969
Total cash at end of the year	5	**6,840**	**(233)**

Accounting Policies for the year ended March 31, 2021

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The financial statements have been prepared on the historic cost convention, and incorporate the principal accounting policies set out below. They are presented in South African Rands. They were authorised for issue by the Company's board of directors on June 1, 2021.

1.1 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

1.2 Financial instruments

Initial recognition and measurement

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans to Group Company

The company's loan to group company are with entities within the group. There is no expected loss relating to the loan to group companies.

Impairment

The company recognises a loss allowance for expected credit losses on loans to group company. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for loan to group company at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company determines the expected credit losses on loans to group company based on the general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount for loans to group company, through use of a loss allowance account. No impairment loss was determined for the current year.

Loan from group company

Classification

Loans from group company (note 3) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loan from group company are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance charges. Loan from group company expose the company details of risk exposure and to liquidity and interest rate risk.

Trade and other payables

Classification

Trade and other payables (note 7) are classified as financial liabilities and are subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 20 for details of risk exposure and management thereof.

Accounting Policies for the year ended March 31, 2021 (contd.)

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at no par value and classified as 'share capital' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.5 Finance income and expenses

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit and or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expense comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets.

1.6 Investment in subsidary

No investment in subsidiary during the year.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

2. Investment in subsidiary

	2021 R	2020 R
Good Hope Palace Hotels Proprietary Limited	-	1,000

3. Loans to (from) shareholders

	2021 R	2020 R
Tata Africa Holdings (SA) Proprietary Limited	-	22,122,909
The loan is unsecured, interest free and will not be called for repayment in the next 12 months.		

4. Loan to Group company

	2021 R	2020 R
Good Hope Palace Hotels Proprietary Limited	163,468,610	193,061,665
The loan is unsecured, interest free and will not be called for repayment in the foreseeable future.		
During the year the loan from IHOCO to IHMS for ZAR 22,122,909.00 delegated to GHPH and adjusted against loan account.		
Non-current assets		
Loans and receivables	163,468,610	193,061,665

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2021 R	2020 R
Bank balances	6,840	-
Bank overdraft	-	(233)
	6,840	**(233)**

6. Share capital

	2021 R	2020 R
Authorised		
250,000,000 Ordinary shares of no par value	250,000,000	250,000,000
Issued		
Ordinary - 173,479,916 shares of no par value	173,479,916	173,479,916

7. Trade and other payables

	2021 R	2020 R
Trade payables	-	6,800,947

No interest is charged on trade payables. The Company has risk management in place to ensure that all payables are paid within the credit time frame.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

8. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

	2021 R	2020 R
Other		
Professional fees	649,554	178,960
Other admin	12,572	-
Loss on disposal of investment	999	-

9. Taxation

Major components of the tax expense

No provision has been made for 2021 tax as the company has no taxable income. The company does not intend to recover any assessed loss in future as the entity is an investment holding company. The company has an accumulated assessed loss brought forward of R10,023,174 (2020: R9,360,230).

No deferred tax asset has been recognized on estimated accumulated tax losses as the Company has been incurring losses in previous years and the likelihood of recovering the assessed loss is remote.

10. Cash (used in)/generated from operations

	2021 R	2020 R
Loss before taxation	(663,125)	(178,960)
Changes in working capital:		
Increase in trade and other payables	(6,800,947)	6,865,758
	(7,464,072)	**6,686,798**

11. Related parties

Relationships	
Holding Company	IHOCO BV
Ultimate holding company	The Indian Hotels Company Limited
Fellow Subsidiary	Tata Africa Holdings (SA) Proprietary Limited Good Hope Palace Hotels Proprietary Limited
Directors	R H Parekh
	Nagarajan Chandrasekhar
	Len Brand (Resigned October 1, 2020)
	Ajay M Ponkshe (Resigned October 1, 2020)
	Puneet Chhatwal (Appointed October 1, 2020)
	Mark James Wernich (Appointed October 1, 2020)
	J.J. Oldenburger (Appointed October 1, 2020)

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

	2021 R	2020 R
Related party		
Amounts owing by related parties		
Good Hope Palace Hotels Proprietary Limited	163,468,610	193,061,665
Amounts owing to related parties		
Tata Africa Holdings (SA) Proprietary Limited	-	(22,122,910)
Good Hope Palace Hotels Proprietary Limited	-	(6,800,947)
Good Hope Palace Hotels Proprietary Limited		
Loan to subsidiary	-	(6,693,000)
Transactions during the year	(662,126)	-
Tata Africa Holdings (SA) Proprietary Limited		
Loan from related party	-	6,693,000

12. Directors' and prescribed officer's emoluments

Executive

2021	Emoluments	Total
Nagarajan Chandrasekhar	-	-
R H Parekh	-	-
Len Brand	-	-
Ajay M. Ponkshe	-	-
Puneet Chhatwal	-	-
Mark James Wernich	-	-
J.J. Oldenburger	-	-
	-	-

2020	Emoluments	Total
Nagarajan Chandrasekhar	-	-
R H Parekh	-	-
Len Brand	-	-
Ajay M Ponkshe	-	-
Mark James Wernich	-	-
	-	-

No emoluments were paid to the directors during the year. These directors are remunerated at the parent level and none of their remuneration can be apportioned for this entity.

Prescribed officers

2021	Emoluments	Total
Mark Wernich	-	-

2020	Emoluments	Total
Mark Wenich	-	-

No emoluments were paid to any individuals holding a prescribed office during the year. The prescribed officer is remunerated at the subsidiary level and none of their remuneration can be apportioned for this entity.

13. Categories of financial instruments

	Note(s)	Amortised cost	Total	Fair value
Categories of financial instruments - 2021				
Assets				
Non-Current Assets				
Loans to group companies	2	163,468,610	163,468,610	-
Loan to Group company	4	-	-	-
		163,468,610	**163,468,610**	**-**
Current Assets				
Cash and cash equivalents	5	6,840	6,840	-
Total Current Assets - Financial Instruments		**6,840**	**6,840**	**-**
Total Assets - Financial Instruments		**163,475,450**	**163,475,450**	**-**
Categories of financial instruments - 2020				
Assets				
Non-Current Assets				
Loans to group companies	2	193,061,665	193,061,665	-
Total Non-Current Assets - Financial Instruments		**193,061,665**	**193,061,665**	**-**
Total Assets - Financial Instruments		**193,061,665**	**193,061,665**	**-**
Equity and Liabilities				
Liabilities				
Non-Current Liabilities				
Loans from group companies	2	22,122,910	22,122,910	-
Total Non-Current Liabilities - Financial Instruments		**22,122,910**	**22,122,910**	**-**
Current Liabilities				
Trade and other payables	7	6,800,947	6,800,947	-
Bank overdraft	5	233	233	-
Total Non-Current Liabilities - Financial Instruments		**6,801,180**	**6,801,180**	**-**
Total Liabilities - Financial Instruments		**28,924,090**	**28,924,090**	**-**

14. Risk management

Financial risk management

The company's activities expose it to interest rate risk, credit risk and liquidity risk.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Interest rate risk

Significant exposure to interest rate risk arises from the overdraft facility.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

A sensitivity analysis was not performed as the exposure at the banks was considered immaterial.

Credit risk

Exposure to credit risk consists mainly from cash deposits, cash equivalents and the loan to group company. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit risk is the risk of financial loss to the company if the counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to credit risk through the Loan to Group Company.

Loan to Group Company

The company's loan to group company are with entities within the group. There is no expected loss relating to the loan to group companies.

Impairment

The company recognises a loss allowance for expected credit losses on loans to group company. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for loan to group company at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company determines the expected credit losses on shareholders loan based on the general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. The loss allowance is calculated on a collective basis for shareholders loan.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount for loans to group company, through use of a loss allowance account. No impairment loss was determined for the current year.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021 R	2020 R
Loan to Group Company	163,468,610	193,061,665

15. Fair value information

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arms-length transaction, other than in a forced liquidation sale.

16. Going concern

The first few months of 2020 have been characterised by the global impact of the COVID-19 virus. The South African economy was affected by the news of the first confirmed cases of the virus in the country early in March 2020 and this led to the President declaring a national disaster on March 15, 2020. The President made a further announcement on March 23, that the country will effectively be placed in a lockdown from midnight on March 26, until April 16, 2020.

On April 23, 2020, the government announced that the lockdown will be gradually phased out based on a risk-adjusted strategy for the resumption of economic activity categorised into five levels. Effective May 1, 2020, South Africa was moved from level five to level four, which allows for certain sectors and industries to reopen provided strict health and safety requirements are met, with employees returning to work in phases. Under level four, borders remain closed, with limited movement of people and goods allowed. The President further announced on May 24, 2020, that the country will move to alert level three from June 1, 2020. Alert level three to one will allow a progressively greater relaxation of restrictions. Presently the country is in level one which means restrictions of movements from 12.00 AM to 5.00AM.

The company incurred a loss for the year ended March 31, 2021 of R663,125 (2020: R178,960) and as at that date, the company's total current assets exceeded its total current liabilities by R6,840 (in 2020 the company's total liabilities exceeded it's current assets by R6,801,180).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

17. Events after the reporting period

No other material events or circumstances which require adjustment to, or disclosure in, these financial statements have occurred subsequent to year end and up to the date of signature of the financial statements.

18. New standards and interpretations

There are no new accounting standards in the current financial year.

Independent Auditor's Report

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at March 31, 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Taj International Hotels Limited ("the Company") for the year ended March 31, 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtaining an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice and tax legislation.
- making enquiries of management and of the Company policies and procedures relating to:

Independent Auditor's Report (Contd.)

  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- reviewing minutes of the board of directors in order to identify any instances of fraud or non-compliance with laws and regulations.
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:
  - management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included:
  - challenging assumptions made by management in their significant accounting estimates in particular in relation to discount rates used for the impairment assessment of fixed assets;
  - identifying and testing journal entries, in particular any journal entries to revenue which are not in line with expectations and reviewing journal entries for journals inconsistent with the usual transactions of the Company.
  - revenue recognition: application of cut off and existence. We reviewed transactions pre and post year end to check that the associated revenue is reflected in the correct period. We reviewed all manual postings to revenue to ensure that no manipulation had occurred in the general ledger.
  - we communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Clayden (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: April 19, 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

for the Year Ended March 31, 2021

	Note	2021 £	2020 £
Turnover	4	1,214,452	5,441,869
Cost of sales		(2,428,172)	(4,762,410)
Gross (loss)/profit		**(1,213,720)**	**679,459**
Administrative expenses (includes exceptional item as per note 6)		(724,862)	(890,272)
Other operating income	5	1,087,071	87,908
Operating loss	6	**(851,511)**	**(122,905)**
Interest receivable and similar income		817	767
Loss before tax		**(850,694)**	**(122,138)**
Tax on loss	9	150,863	(3,202)
Loss for the financial year and total comprehensive income		**(699,831)**	**(125,340)**

All amounts relate to continuing operations.

The notes form part of these financial statements.

Statement of Financial Position

as at March 31, 2021

	Note	2021 £		2020 £	
Fixed assets					
Tangible assets	11		1,049,315		1,290,346
Current assets					
Stocks	12	680,703		621,948	
Debtors	13	237,207		453,537	
Cash and cash equivalents	14	52,301		62,564	
		970,211		**1,138,049**	
Creditors: amounts falling due within one year	15	(1,236,767)		(1,331,897)	
Net current liabilities			(266,556)		(193,848)
Total assets less current liabilities			**782,759**		**1,096,498**
Creditors: amounts falling due after more than one year	16		(408,333)		-
Provisions for liabilities					
Deferred tax	18		(70,788)		(93,029)
Net assets			303,638		1,003,469
Capital and reserves					
Called up share capital	19		2		2
Profit and loss account	20		303,636		1,003,467
			303,638		**1,003,469**

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

....

Mr C Nagarajan

Director

Date: April 19, 2021

The notes form part of these financial statements.

Statement of Changes in Equity for the year ended March 31, 2021

for the Year Ended March 31, 2021

	Share capital £	Profit and loss account £	Total equity £
At April 1, 2020	2	1,003,467	1,003,469
Comprehensive income for the year			
Loss for the year and total comprehensive income	-	(699,831)	(699,831)
At March 31, 2021	**2**	**303,636**	**303,638**

for the Year Ended March 31, 2020

	Share capital £	Profit and loss account £	Total equity £
At April 1, 2019	2	1,528,807	1,528,809
Comprehensive income for the year			
Loss for the year and total comprehensive income	-	(125,340)	(125,340)
Distributions to owners			
Dividends paid	-	(400,000)	(400,000)
At March 31, 2020	**2**	**1,003,467**	**1,003,469**

The notes form part of these financial statements.

Statement of Cash Flows for the year ended March 31, 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(699,831)	(125,340)
Adjustments for:		
Depreciation of tangible assets	241,031	255,418
Interest received	(817)	(767)
Taxation charge	(150,863)	3,202
(Increase) in stocks	(58,755)	(117,369)
Decrease in debtors	337,995	827,121
(Decrease) in creditors	(186,797)	(737,114)
Corporation tax received	6,957	79,573
Net cash generated from operating activities	**(511,080)**	**184,724**
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(21,391)
Interest received	817	767
Net cash from investing activities	**817**	**(20,624)**
Cash flows from financing activities		
New secured loans	500,000	-
Dividends paid	-	(400,000)
Net cash used in financing activities	**500,000**	**(400,000)**
Net (decrease) in cash and cash equivalents	(10,263)	(235,900)
Cash and cash equivalents at beginning of year	62,564	298,464
Cash and cash equivalents at the end of year	**52,301**	**62,564**
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	52,301	62,564
	52,301	**62,564**

The notes on pages 11 to 25 form part of these financial statements.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

1. General information

Taj International Hotels Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on pages 1 and 2 of these financial statements.

The company meets its day-to-day working capital requirements through use of its cash, overdraft and facilities provided by its wider group headed by The Indian Hotels Company Limited, for which the board has requested and received a non-legally binding confirmation of intended ongoing parent company support.

As at March 31, 2021, the company reported net assets of £303,638 (2020 - £1,003,469) including unencumbered current assets £1,024,309 (2019 – £1,138,049). The company has external borrowings of £500,000 which was drawn down upon in April 2020; the loan does require covenant compliance and matures in April 2026. The Company's overdraft facility was undrawn at year end. This position has been maintained up to the date of approval of these financial statements.

In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts for the company extending beyond 12 months from the date of approval of these financial statements. However, it is acknowledged that the global and UK outbreak of COVID-19 continues to have a profound impact on these forecasts.

In accordance with UK government requirements, Taj International Hotels Limited temporarily closed their restaurants (Bombay Brasserie and Quilon) to the public on March 21, 2020. The restaurants remain closed as at the time of reporting, albeit temporarily opened when legally able to do so between August 2020 and November 2020, but operated at reduced levels to comply with social distancing regulations. The restaurants were also supported throughout the period by a food takeaway service.

At the time of signing the financial statements, the UK government has announced its plans for the reopening of restaurants and will allow for indoor dining to commence again with limited restrictions from May 17, 2021 and without restrictions from no earlier than June 21, 2021. Accordingly, management have modelled various cash flow scenarios based on this information and a phased return to trading throughout 2021.

In order to mitigate the associated impacts on revenue during 2021, and in order to protect the longer term interests of the company and its employees, the company has taken measures to reduce its cost base and is utilising various government schemes available including taxation 'time to pay' arrangements, the Coronavirus Job Retention Scheme and the Coronavirus Business Interruption Loan Scheme. At present the company continues to honour its current operating liabilities within previously accepted terms.

The board currently anticipates that changes to social distancing restrictions will enable the company to return to full trading no later than April 2022 with a phased reintroduction prior to this date.

Based on revised forecasts, financial and operational adjustments outlined above, cash and bank facilities, and other liquid assets available, the directors have concluded that the company will remain solvent in the meantime and therefore a going concern for 12 months following the date of approval of the financial statements.

However, if the period of social distancing, and as a result the closure of the company's restaurants, exceed management's current expectations additional external or group funding, which the group parent has offered, may be required.

The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at March 31, 2020 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

2.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Depreciation is provided on the following basis:

Leasehold Improvements	-	Over the period of the lease
Fixtures, fittings and equipment	-	10-20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.6 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

In line with recent amendments to FRS 102, the Company has recognised any changes in lease payments, arising from qualifying rent concessions, through the income statement in the period in which the lease payment is intended to compensate.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Government grants

The Company recognises an unconditional government grant related to the Coronavirus Job Retention Scheme as other income when the grant becomes receivable. Such grants are recognised on an accruals basis in line with when the expense would have been incurred.

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.16 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

- Property, plant and equipment are tested for impairment when events or circumstances indicate that their carrying value may not be recoverable. The impairment testing of individual assets or cash-generating units requires an assessment of the recoverable amount of the asset or cash-generating unit. If the carrying value of the asset or cash-generating unit exceeds its estimated recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a discount rate that is based on the Company's weighted average cost of capital adjusted to reflect the risks specific to the business model. The outcome of such an assessment is subjective, and the result is sensitive to the assumed future cash flows and discount rates applied in calculating the value in use.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

  Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Restaurants	1,214,452	5,431,699
Other	-	10,170
	1,214,452	**5,441,869**

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	**1,214,452**	**5,441,869**

5. Other operating income

	2021 £	2020 £
Other operating income	80,950	87,908
Government grants receivable	1,006,121	-
	1,087,071	**87,908**

Other operating income comprises salary recharges to related parties (see note 23).

The company has received grants under the Government's furlough scheme which has been created for the purpose of supporting businesses during the pandemic. The grants are given for specified staff over a specified period of time during which they are not permitted to work for the company. The grants are recognised on a time basis consistent with the period of furlough experienced by staff. The grant is not repayable providing the conditions of grant have been met; the company believes it has met all the required conditions. The amounts paid to furloughed staff by the company are included in cost of sales.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

6. Operating loss

The operating loss is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	241,031	255,418
Exchange differences	-	15,123
Other operating lease rentals	214,606	413,253
Exceptional item	-	(620,317)

Jet Airways (India) Limited, the airline for which the company was a nominated supplier for in-flight Indian meals on the European outbound flights, shuttered its operations in mid-April 2019. In the year to March 31, 2019, the directors considered it appropriate to provide for a sum of £912,608 as bad debt. In July 2019, the company was able to recover an amount of £620,317 in full and final settlement of the aforementioned debt which was credited to the statement of comprehensive income in the prior year.

During the year, no director received any emoluments (2020 - £Nil).

Operating lease expense is shown net of rent concessions received during the year of £106,450 (2020: £Nil).

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**23,000**	**22,500**

8. Employees

	2021 £	2020 £
Wages and salaries	1,709,309	2,395,050
Social security costs	161,531	239,585
Cost of defined contribution scheme	65,736	88,207
	1,936,576	**2,722,842**

Payroll costs are shown gross of any furlough income received.

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Admin, kitchen and waiting staff	**68**	**80**

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	12,788
Adjustments in respect of previous periods	(128,622)	836
Total current tax	**(128,622)**	**13,624**
Deferred tax		
Origination and reversal of timing differences	(22,241)	(22,593)
Effect of tax rate change on opening balance	-	12,171
Total deferred tax	**(22,241)**	**(10,422)**
Taxation on loss on ordinary activities	**(150,863)**	**3,202**

Factors affecting tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	**(850,694)**	**(122,138)**
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(161,632)	(23,206)
Effects of:		
Fixed asset differences	12,646	13,401
Adjustments to tax charge in respect of prior periods	(128,622)	836
Adjustment to deferred tax due to change in tax rates	-	12,171
Losses carried back	126,745	-
Total tax credit/(charge) for the year	**(150,863)**	**3,202**

10. Dividends

	2021 £	2020 £
Ordinary shares of £1 each		
Interim dividend paid of £Nil (2020 - £200,000) per share	**-**	**400,000**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

11. Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At April 1, 2020	1,730,216	1,928,428	3,658,644
At March 31, 2021	**1,730,216**	**1,928,428**	**3,658,644**
Depreciation			
At April 1, 2020	907,908	1,460,390	2,368,298
Charge for the year	108,065	132,966	241,031
At March 31, 2021	**1,015,973**	**1,593,356**	**2,609,329**
Net book value			
At March 31, 2021	**714,243**	**335,072**	**1,049,315**
At March 31, 2020	822,308	468,038	1,290,346

12. Stocks

	2021 £	2020 £
Food and beverage stock	680,703	621,948

13. Debtors

	2021 £	2020 £
Trade debtors	69,661	293,143
Amounts owed by group undertakings (see note 23)	-	13,770
Tax receivable	127,786	-
Other debtors	18,213	111,509
Prepayments and accrued income	21,547	35,115
	237,207	453,537

All amounts shown under debtors fall due for payment within one year.

14. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	52,301	62,564

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	91,667	-
Trade creditors	158,694	154,449
Amounts owed to group undertakings (see note 23)	9,645	110,651
Other taxation and social security	51,784	86,204
Other creditors	23,518	40,787
Accruals and deferred income	901,459	939,806
	1,236,767	1,331,897

16. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	**408,333**	-

The loan attracts an interest rate of 2.75% p.a. over Base Rate and matures in April 2026.

17. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised costs	**140,175**	**474,029**
Financial liabilities		
Financial liabilities measured at amortised costs	**1,593,316**	**(1,245,694)**

Financial assets that are debt instruments measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade and other payables, amounts owed to group undertakings and accrued expenses.

18. Deferred taxation

	2021 £	2020 £
At beginning of year	(93,029)	(103,451)
Charged to the profit or loss	22,241	10,422
At end of year	**(70,788)**	**(93,029)**

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(71,172)	(95,163)
Short term timing differences	384	2,134
	(70,788)	**(93,029)**

19. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**2**	**2**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

20 Reserves

Profit & loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

21 Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £65,736 (2020 - £88,206). Contributions payable to the fund at the year end included in creditors totalled £2,020 (2020 - £11,239).

22. Commitments under operating leases

At March 31, 2021 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	299,000	299,000
Later than 1 year and not later than 5 years	1,196,000	1,196,000
Later than 5 years	498,333	797,333

The Company also pays discretionary rent on The Quilon Restaurant, which is ordinarily the higher of 5% of sales or £76,800. The Company received a rent concession in this regard in FY21. The total rental amount payable for the year was £20,256 (2020 - £116,042).

23. Related party transactions

During the year The Indian Hotels Company Limited invoiced Taj International Hotels Limited £60,723 (2020 - £253,177), for the provision of management services.

St James Court Hotel Limited is a fellow subsidiary of Ihoco BV. During the year, St James Court Hotel Limited invoiced Taj International Hotels Limited £20,256 (2020 - £116,042) towards rent in respect of the premises let out and £Nil (2020 - £40,237) in respect of recharge of utilities. Taj International Hotels Limited recharged payroll costs of £80,950 (2020 - £87,908) to St James Court Hotel Limited and made sales of goods to St James Court Hotel Limited totalling £34,410 (2020 - £278,520).

At the balance sheet date Taj International Hotels Limited had the following balances with other group companies. Amounts were due to The Indian Hotel Company Limited of £6,625 (2020 - £54,515). Amounts were due from St James Court Hotel Limited of £17,380 (2020 - £16,501) and due to St James Court Hotel Limited of £20,400 (2020 - £56,136).

24. Controlling party

The immediate parent undertaking and controlling party is Ihoco BV, a company registered in the Netherlands. The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is The Indian Hotels Company Limited. Consolidated accounts are available from Mandlik House, Mandlik Road, Mumbai 400 001, India. In the opinion of the directors this is the company’s ultimate parent company and ultimate controlling party.

Independent Auditor’s Report

Opinion

We have audited the financial statements of PIEM International (H.K.) Limited (the “Company”) set out, which comprise the statement of financial position as at March 31, 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2021, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the directors’ report and the detailed income statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Auditor's Report (Contd.)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mazars CPA Limited
Certified Public Accountants
Hong Kong,
April 16, 2021

The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate number: P02487

Statement of Comprehensive Income Year ended March 31, 2021

	Note	2021 US$	2020 US$
Revenue	2	1,312	3,653
Exchange loss, net		(9)	(94)
Operating expenses		(14,373)	(15,842)
Share of result of an associate		(2,969,616)	1,490,430
(Loss) Profit before tax	3	**(2,982,686)**	**1,478,147**
Income tax expense	4	-	-
(Loss) Profit for the year		**(2,982,686)**	**1,478,147**
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of interest in an associate		3,339,882	(1,495,551)
Other comprehensive income (loss) for the year, net of tax		**3,339,882**	**(1,495,551)**
Total comprehensive income (loss) for the year		**357,196**	**(17,404)**

Statement of Financial Position Year ended March 31, 2021

	Note	2021 US$	2020 US$
Non-current assets			
Interest in an associate	5	31,248,923	30,878,657
Designated FVOCI	6	541,375	541,375
		31,790,298	**31,420,032**
Assets classified as held for sale	7	1	1
Current assets			
Deposits		204	-
Bank balances		285,695	299,566
		285,899	**299,566**
Current liabilities			
Accrued charges		9,372	9,969
Net current assets		**276,527**	**289,597**
NET ASSETS		**32,066,826**	**31,709,630**
Capital and reserves			
Share capital	8	8,000,000	8,000,000
Exchange reserve		(1,676,421)	(5,016,303)
Accumulated profits		25,743,247	28,725,933
TOTAL EQUITY		**32,066,826**	**31,709,630**

These financial statements were approved and authorised for issue by the board of directors on April 16, 2021 and signed on behalf by

Director	Director
Rajeshkumar Harshadrai Parekh	**Chandrasekhar Nagarajan**

Statement of Changes in Equity Year ended March 31, 2021

	Share capital US$	Exchange reserve US$ (Note i)	Accumulated profits US$	Total US$
At April 1, 2019				
Profit for the year	8,000,000	(3,520,752)	27,247,786	31,727,034
Other comprehensive loss	-	-	1,478,147	1,478,147
Exchange differences arising from translation of interest in an associate	-	(1,495,551)	-	(1,495,551)
Total comprehensive income (loss) for the year	**-**	**(1,495,551)**	**1,478,147**	**(17,404)**
At March 31, 2020	**8,000,000**	**(5,016,303)**	**28,725,933**	**31,709,630**
At April 1, 2020	8,000,000	(5,016,303)	28,725,933	31,709,630
Loss for the year	-	-	(2,982,686)	(2,982,686)
Other comprehensive income				
Exchange differences arising from translation of interest in an associate	-	3,339,882	-	3,339,882
Total comprehensive income (loss) for the year	**-**	**3,339,882**	**(2,982,686)**	**357,196**
At March 31, 2021	**8,000,000**	**(1,676,421)**	**25,743,247**	**32,066,826**

Note:

(i) The exchange reserve comprises exchange differences arising from translation of financial statements of the Company's foreign associate. The reserve is dealt with in accordance with the accounting policy on foreign currency translation as stated in note 1 to the financial statements.

Statement of Cash Flows Year ended March 31, 2021

	Note	2021 US$	2020 US$
OPERATING ACTIVITIES			
Cash used in operations	9	(15,183)	(14,631)
Net cash used in operating activities		**(15,183)**	**(14,631)**
INVESTING ACTIVITIES			
Interest received		3	240
Dividend received		1,309	3,413
Net cash generated from investing activities		**1,312**	**3,653**
Net decrease in cash and cash equivalents		(13,871)	(10,978)
Cash and cash equivalents at beginning of year		299,566	310,544
Cash and cash equivalents at end of year, represented by bank balances		**285,695**	**299,566**

Notes to the Financial Statements for the year ended March 31, 2021

CORPORATE INFORMATION

PIEM International (H.K.) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The immediate holding company of the Company is Piem Hotels Limited, a company incorporated in India. In the opinion of the directors, the ultimate holding company of the Company is The Indian Hotels Company Limited, a company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activity of the Company is investment holding.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020 financial statements. The new/revised HKFRSs that are relevant to the Company and effective from the current year do not have impact on the financial statements. A summary of the principal accounting policies adopted by the Company is set out below.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost, except for equity investment measured at fair value through other comprehensive income ("Designated FVOCI") which is measured at fair value as explained in the respective principal accounting policies set out below.

Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but no control or joint control of those policies.

The Company's investment in an associate is accounted for under the equity method of accounting. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Company's share of the investee's net assets and any impairment loss relating to the investment.

Except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the investee, the Company discontinues recognising its share of further losses when the Company's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long-term interests that, in substance, form part of the Company's net investment in the investee.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises the financial asset to the extent of its continuing involvement and an associated liability for the amounts it may have to pay.

Classification and measurement

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) Designated FVOCI; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Company's financial asset at amortised cost includes bank balances.

Designated FVOCI

Upon initial recognition, the Company may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains or losses are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to accumulated profits or losses.

The Company's financial assets at Designated FVOCI include a listed equity security.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Company measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on one or more shared credit risk characteristics, such as past due information and nature of instrument.

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Company may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company); or

(ii) there is a breach of financial covenants by the counterparty.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

As detailed in note 11 to the financial statements, financial instrument including bank balances is determined to have low credit risk.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off
The Company writes off a financial asset when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Company's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents
For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition
Dividend income
Dividend income from financial assets is recognised when the Company's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income
Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credited-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Foreign currency translation
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the currency of United States dollars ("US$"), which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Exchange differences arising from the translation of the net investment in foreign operations are recognised in a separate component of equity and recognised in profit or loss on disposal of the foreign operations.

Impairment of non-financial assets
At the end of each reporting period, the Company reviews internal and external sources of information to assess whether there is any indication that interest in an associate may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

   (i) has control or joint control over the Company;

   (ii) has significant influence over the Company; or

   (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) Both entities are joint ventures of the same third party.

   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

   (vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Company.

2. REVENUE

	2021 US$	2020 US$
Dividend income from a listed equity security	1,309	3,413
Interest revenue calculated using the effective interest method:		
Interest income on bank deposits	3	240
	1,312	**3,653**

3. (LOSS) PROFIT BEFORE TAX

	2021	2020
This is stated after charging:	US$	US$
Auditor's remuneration	**8,955**	**8,722**

4. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided for the years ended March 31, 2021 and 2020 as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Reconciliation of tax expense

	2021 US$	2020 US$
(Loss) Profit before tax	**(2,982,686)**	**1,478,147**
Income tax at applicable tax rate of 16.5% *(2020: 16.5%)*	(492,143)	243,894
Result of an associate	489,987	(245,921)
Non-deductible expenses	2,156	2,027
	-	-

5. INTEREST IN AN ASSOCIATE

	2021 US$	2020 US$
Share of net assets	31,248,923	30,878,657

Interest in an associate represents 35.38075% (2020: 35.38075%) of the issued ordinary share capital of St. James Court Hotel Limited, a company engaged in hotel operations and incorporated in the United Kingdom. The associate is accounted for using the equity method in the financial statements.

Summary of financial information of the associate is as follows:

	As at March 31, 2021 US$	As at March 31, 2020 US$
Gross amount		
Current assets	13,218,136	13,636,885
Non-current assets	146,247,136	133,351,291
Current liabilities	(3,411,002)	(12,480,486)
Non-current liabilities	(67,732,450)	(47,232,390)
Equity	**88,321,820**	**87,275,300**
Reconciliation		
Total equity of the associate	**88,321,820**	**87,275,300**
Company's ownership interests	35.38075%	35.38075%
Company's share of equity and carrying amount of interest	31,248,923	30,878,657

	Year ended March 31, 2021 US$	Year ended March 31, 2020 US$
Gross amount		
Revenue	4,364,565	49,806,199
(Loss) Profit for the year and total comprehensive income for the year	(8,393,309)	4,212,545

6. DESIGNATED FVOCI

	2021 US$	2020 US$
Equity security listed outside Hong Kong, at fair value	541,375	541,375

At the end of the reporting period, the Company held 0.27% (2020: 0.27%) interest representing 487,500 equity shares of Oriental Hotels Limited ("OHL"), which is listed on the Bombay Stock Exchange and the National Stock Exchange in

India (2020: 487,500 global deposit receipts of Oriental Hotels Limited, which is listed on Luxembourg Stock Exchange). OHL is a related company in which the holding company of the Company has significant influence.

7. ASSETS CLASSIFIED AS HELD FOR SALE

	2021 US$	2020 US$
Investments in unlisted shares, at cost	1	1

Name of subsidiary	Country of incorporation	Percentage of ordinary shares directly held	Principal activities
BAHC 5 Pte Limited ("BAHC5")	Singapore	100%	Aircraft owning

In accordance with the written board resolution initially passed on April 15, 2009, the Company intended to dispose of the above investment and a disposal plan has been established. In the opinion of the directors, the disposal is estimated to be completed before the end of the financial year 2021 - 2022. As a result, the interest in the subsidiary is still classified as "Assets classified as held for sale" at the end of the reporting period.

8. SHARE CAPITAL

	2021		2020	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At beginning of the year and end of the reporting period	800,000	8,000,000	800,000	8,000,000

9. CASH USED IN OPERATIONS

	2021 US$	2020 US$
(Loss) Profit before tax	(2,982,686)	1,478,147
Dividend income	(1,309)	(3,413)
Interest income	(3)	(240)
Share of result of an associate	2,969,616	(1,490,430)
Changes in working capital:		
Deposits	(204)	-
Accrued charges	(597)	1,305
Cash used in operations	**(15,183)**	**(14,631)**

10. PLEDGE OF ASSETS

The Company has pledged its investment in BAHC5 with a net book value of US$1.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances and Designated FVOCI. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations.

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limits the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Foreign currency risk
The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than United States dollars. Related company balances and interest in an associate are denominated in British Pounds ("GBP").

At March 31, 2021, if the United States dollars had weakened / strengthened by 11% (2020: 5%) against the GBP with all other variables held constant, the Company's net loss (2020: net profit) for the year would have been US$344,800 lower / higher (2020: US$68,500 higher / lower) while the exchange reserve would decrease / increase by US$3,440,000 (2020: increase / decrease by US$1,456,000).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk
The Company's credit risk is primarily attributable to bank balances. Substantially all of the Company's bank balances were deposited in creditworthy financial institutions in Hong Kong. The management of the Company considers the Company has limited credit risk with these financial institutions which have high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recognised on the statement of financial position, which is net of impairment losses, represents the Company's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Liquidity risk
The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled on demand at the end of the reporting period.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial instruments are carried at amounts not materially different from their fair values as at March 31, 2021 and 2020.

13. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholders, return of capital to shareholders or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended March 31, 2021 and 2020.

14. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Directors' remuneration
There is no director remuneration for the year (2020: Nil).

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2020: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2020: Nil).

Detailed Income Statement

Year ended March 31, 2021

	Schedule	2021 US$	2020 US$
Revenue	A	1,312	3,653
Exchange loss, net		(9)	(94)
Operating expenses	B	(14,373)	(15,842)
Share of result of an associate		(2,969,616)	1,490,430
(Loss) Profit before tax		**(2,982,686)**	**1,478,147**

	2021 US$	2020 US$
A. REVENUE		
Interest income on bank deposits	3	240
Dividend income from a listed equity security	1,309	3,413
	1,312	**3,653**

	2021 US$	2020 US$
B. OPERATING EXPENSES		
Auditor's remuneration	8,955	8,722
Bank charges	3,122	2,739
Legal and professional fees	2,160	4,194
Sundry expenses	136	187
	14,373	**15,842**

Detailed Income Statement

Year ended March 31, 2021

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended March 31, 2021 and 2020 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

The auditor's reports the years ended March 31, 2021 and 2020:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the reports; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

Independent Auditor's Report

Opinion

We have audited the financial statements of Taj International Hotel (H.K.) Limited (the "Company") set out, which comprise the statement of financial position as at March 31, 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2021, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the directors' report and the detailed income statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Auditor’s Report (Contd.)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mazars CPA Limited
Certified Public Accountants
Hong Kong,
April 15, 2021

The engagement director on the audit resulting in this independent auditor’s report is:
Chan Wai Man
Practising Certificate number: P02487

Statement of Comprehensive Income

Year ended March 31, 2021

	Note	2021 US$	2020 US$
Revenue	2	1	144,211
Other income	3	333,740	-
Other operating expenses	4	(14,234)	(449,148)
Profit (Loss) before tax	5	**319,507**	**(304,937)**
Income tax expense	6	-	-
Profit (Loss) for the year		**319,507**	**(304,937)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income (loss) for the year		**319,507**	**(304,937)**

Statement of Financial Position

At March 31, 2021

	Note	2021 US$	2020 US$
Current assets			
Loan advanced to fellow subsidiaries	7	17,271,449	7,000,000
Loan advanced to a related company	8	-	10,017,705
Due from the ultimate holding company	9	620,000	609,235
Bank balances		151,796	96,992
		18,043,245	**17,723,932**
Current liabilities			
Accrued charges		11,007	11,201
Net current assets		**18,032,238**	**17,712,731**
NET ASSETS		**18,032,238**	**17,712,731**
Capital and reserves			
Share capital	10	230,000,000	230,000,000
Accumulated losses		(211,967,762)	(212,287,269)
TOTAL EQUITY		**18,032,238**	**17,712,731**

These financial statements were approved and authorised for issue by the board of directors on April 15, 2021 and signed on behalf by

Director
Rajeshkumar Harshadrai Parekh

Director
Chandrasekhar Nagarajan

Statement of Changes in Equity

Year ended March 31, 2021

	Share capital US$	Accumulated losses US$	Total US$
At April 1, 2019	230,000,000	(211,982,332)	18,017,668
Loss for the year and total comprehensive loss for the year	-	(304,937)	(304,937)
At March 31, 2020	230,000,000	(212,287,269)	17,712,731
At April 1, 2020	230,000,000	(212,287,269)	17,712,731
Profit for the year and total comprehensive income for the year	-	319,507	319,507
At March 31, 2021	**230,000,000**	**(211,967,762)**	**18,032,238**

Statement of Cash Flows

Year ended March 31, 2021

	Note	2021 US$	2020 US$
OPERATING ACTIVITIES			
Cash used in operations	11	(25,197)	(109,126)
Net cash used in operating activities		**(25,197)**	**(109,126)**
INVESTING ACTIVITIES			
Interest received		1	144,211
Loan to a related company		-	(774,060)
Repayment of loan by a related company		80,000	-
Net cash generated from (used in) investing activities		**80,001**	**(629,849)**
Net increase (decrease) in cash and cash equivalents		**54,804**	**(738,975)**
Cash and cash equivalents at beginning of year		96,992	835,967
Cash and cash equivalents at end of year, represented by bank balances		**151,796**	**96,992**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

CORPORATE INFORMATION

Taj International Hotels (H.K.) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The immediate holding company of the Company and in the opinion of the directors, the ultimate holding company of the Company is The Indian Hotels Company Limited, a company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activity of the Company is investment holding.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020 financial statements. The new/revised HKFRSs that are relevant to the Company and effective from the current year do not have impact on the financial statements. A summary of the principal accounting policies adopted by the Company is set out below.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises the financial asset to the extent of its continuing involvement and an associated liability for the amounts it may have to pay.

Classification and measurement

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) equity investment measured at fair value through other comprehensive income; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Company's financial assets at amortised cost include bank balances, loan advanced to fellow subsidiaries, loan advanced to a related company and due from the ultimate holding company.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Company measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on one or more shared credit risk characteristics, such as past due information and nature of instrument.

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Company may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

As detailed in note 14 to the financial statements, financial instruments including bank balances, loan advanced to fellow subsidiaries and due from the ultimate holding company are determined to have low credit risk.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Company writes off a financial asset when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Company's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credited-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the currency of United States dollars ("US$"), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

   (i) has control or joint control over the Company;

   (ii) has significant influence over the Company; or

   (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) Both entities are joint ventures of the same third party.

   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Company.

2. REVENUE

	2021 US$	2020 US$
Interest income	**1**	**144,211**

3. OTHER INCOME

	2021 US$	2020 US$
Exchange gain, net	253,740	-
Reversal of impairment loss on loan advanced to a related company	80,000	-
	333,740	-

4. OTHER OPERATING EXPENSES

	2021 US$	2020 US$
Auditor's remuneration	10,500	10,261
Exchange loss, net	-	315,372
Impairment loss on loan advanced to a related company	-	24,000
Other expenses	3,734	99,515
	14,234	**449,148**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

5. PROFIT (LOSS) BEFORE TAX

	2021 US$	2020 US$
This is stated after charging:		
Auditor's remuneration	**10,500**	**10,261**

6. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided for the years ended March 31, 2021 and 2020 as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Reconciliation of tax expense

	2021 US$	2020 US$
Profit (Loss) before tax	**319,507**	**(304,937)**
Income tax at applicable tax rate of 16.5% (2020:16.5%)	52,719	(50,315)
Tax exempt income	(55,068)	-
Non-deductible losses	2,349	50,315
	-	-

7. LOAN ADVANCED TO FELLOW SUBSIDIARIES

The amount of US$7,000,000 is unsecured, interest-free (2020: interest-free from November 1, 2019) and repayable with a call option of 3 days' notice. The amount of US$10,271,449 is unsecured, interest-free and repayable on April 1, 2024 while the Company has the right to call back the loan with 3 days' notice (2020: Nil).

The total carrying amount approximates its fair value at the end of the reporting period.

8. LOAN ADVANCED TO A RELATED COMPANY

	Note	2021 US$	2020 US$
Loan advanced to a company in which the ultimate holding company has joint control	8(a)	-	**10,017,705**

8(a) At March 31, 2020, the amount was unsecured, interest-free and repayable on March 31, 2022 while the Company has the right to call back the loan with 3 days' notice.

The total carrying amount approximates its fair value at the end of the reporting period.

During the year, loan advanced to a related company was reclassified to loan advanced to fellow subsidiaries (Note 7).

9. DUE FROM THE ULTIMATE HOLDING COMPANAY

	2021 US$	2020 US$
Accounts receivable, loans and advance	620,000	620,000
Professional fees and charges payables	-	(10,765)
	620,000	**609,235**

The amount is unsecured, interest-free and has no fixed repayment term. The carrying amount approximates its fair value at the end of the reporting period.

10. SHARE CAPITAL

	2021		2020	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At beginning of the year and end of the reporting period	230,000,000	230,000,000	230,000,000	230,000,000

11. CASH USED IN OPERATIONS

	2021 US$	2020 US$
Profit (Loss) before tax	319,507	(304,937)
Exchange (gain) loss, net	(253,769)	315,325
Impairment loss on loan advanced to a related company	-	24,000
Reversal of impairment loss on loan advanced to a related company	(80,000)	-
Interest income	(1)	(144,211)
Changes in working capital:		
Due from the ultimate holding company	(10,765)	(313)
Accrued charges	(169)	1,010
Cash used in operations	**(25,197)**	**(109,126)**

12. CONTINGENT LIABILITIES

St. James Court Hotel Limited ("SJCHL"), a fellow subsidiary of the Company, owns the leasehold interest in a property in London, such interest having been assigned to it in an earlier period by an erstwhile subsidiary company on the basis of a license granted by the landlord of the property, Scottish Widows' Fund and Life Assurance Society. The license was granted for such assignment upon the guarantee from the Company for the due performance and observance by SJCHL of the covenants and conditions contained in the license. The obligations of the Company in favour of the landlord shall remain in force throughout the full term of the lease, including any renewals.

13. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties:

(a)

Related party relationship	Nature of transaction	2021 US$	2020 US$
The ultimate holding company	Business support service fee	-	(50,521)
A fellow subsidiary	Loan interest income	-	143,644

(b) The ultimate holding company has indemnified the Company against any possible losses arising from the loan advanced to a fellow subsidiary amounting to US$10,271,449 (2020: loan advanced to a company in which the ultimate holding company has joint control amounting to US$10,017,705).

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances, loan advanced to fellow subsidiaries and due from the ultimate holding company. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limit the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than United States dollars. Related company balances are mainly denominated in Great British Pound, Sri Lanka Rupee and South African Rand ("ZAR"). The management considers the risk relating to foreign currencies other than ZAR to be insignificant in view of the outstanding balances and current market condition.

At March 31, 2021, if the United States dollars had weakened / strengthened by 17% (2020: 24%) against ZAR with all other variables held constant, the Company's net profit (2020: net loss) for the year would have been US$255,000 higher / lower (2020: US$282,000 lower / higher).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The Company's credit risk is primarily attributable to bank balances, due from the ultimate holding company and loan advanced to fellow subsidiaries. Substantially all of the Company's bank balances were deposited in a creditworthy financial institution in Hong Kong. The management of the Company considers the Company has limited credit risk with this financial institution which has high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recognised on the statement of financial position, which is net of impairment losses, represents the Company's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Loan advanced to fellow subsidiaries / due from the ultimate holding company

The Company considers that the loan advanced to fellow subsidiaries and due from the ultimate holding company have low credit risk based on the borrowers' strong capacity to meet their contractual cash flow obligations in the near term and low risk of default. Impairment is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL, the Company has taken into account the historical actual credit loss experience over the past 2 years (2020: 2 years) and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Company considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties.

There was no change in the estimation techniques or significant assumptions made during the year.

Liquidity risk

The Company manages its liquidity and cash flows profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled on demand at the end of the reporting period.

15. FAIR VALUE MEASUREMENTS

All financial instruments are carried at amounts not materially different from their fair values as at March 31, 2021 and 2020.

16. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for its shareholder. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholder, return of capital to shareholder or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended March 31, 2021 and 2020.

17. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Directors' remuneration
There is no director remuneration for the year (2020: Nil).

(b) Loans, quasi-loans and other dealings in favour of directors
There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2020: Nil).

(c) Directors' material interests in transactions, arrangements or contracts
The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2020: Nil).

Schedules to Detailed Income Statement

Year ended March 31, 2021

	Schedule	2021 US$	2020 US$
Revenue	A	1	144,211
Other income	B	333,740	-
Other operating expenses	C	(14,234)	(449,148)
Profit (Loss) before tax		**319,507**	**(304,937)**

	2021 US$	2020 US$
A. REVENUE		
Interest income	**1**	**144,211**
B. OTHER INCOME		
Exchange gain, net	253,740	-
Reversal of impairment loss on loan advanced to a related company	80,000	-
	333,740	**-**
C. OTHER OPERATING EXPENSES		
Auditor's remuneration	10,500	10,261
Bank charges	1,482	838
Exchange loss, net	-	315,372
General administrative expenses	-	930
Impairment loss on loan advanced to a related company	-	24,000
Legal and professional fees	2,252	54,654
Withholding taxes	-	43,093
	14,234	**449,148**

Schedules to Detailed Income Statement

Year ended March 31, 2021

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended March 31, 2021 and 2020 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

The auditor's reports for the years ended March 31, 2021 and 2020:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

Independent Auditor's Report

To
The Members of **BAHC 5 PTE. LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BAHC 5 Pte. Limited (the Company), which comprise the statement of financial position as at March 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at March 31, 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statements with respect to the Company's ability to continue as a going concern. As of reporting date, the Company incurred a net loss of US$5,404,344 during the year ended March 31, 2021 and as of that date, current liabilities exceeded its current assets by US$92,753,980 as at March 31, 2021. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matters.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Independent Auditor's Report (Contd.)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore
April 5, 2021

Statement of Financial Position as at March 31, 2021

Particulars	Note	2021 US$	2020 US$
ASSETS LESS LIABILITIES			
Non-Current Asset			
Property, plant and equipment	4	51,594,969	54,818,223
Current Assets			
Cash and cash equivalents	5	1,169,963	1,382,776
Current Liabilities			
Other payables	6	24,967	81,204
Loans	7	93,898,976	91,874,462
		93,923,943	**91,955,666**
Net Current Liabilities		**(92,753,980)**	**(90,572,890)**
Net Liabilities		**(41,159,011)**	**(35,754,667)**
Capital and reserves attributable to equity holders of the Company			
Share capital	8	1	1
Accumulated losses		(41,159,012)	(35,754,668)
		(41,159,011)	**(35,754,667)**

The accompanying notes form an integral part of these audited financial statements.

Statement of Profit or Loss and Other Comprehensive Income
for the year ended March 31, 2021

Particulars	Note	2021 US$	2020 US$
Continuing operations			
Revenue		-	-
Other income	9	13	2,715,667
Administrative expenses		(156,589)	(470,885)
Other operating expenses	10	(3,223,254)	(3,668,946)
Finance costs	11	(2,024,514)	(2,706,168)
Loss before taxation		**(5,404,344)**	**(4,130,332)**
Taxation	12	-	-
Loss from continuing operations		**(5,404,344)**	**(4,130,332)**
Loss for the year		**(5,404,344)**	**(4,130,332)**
Total comprehensive loss		**(5,404,344)**	**(4,130,332)**
Loss attributable to:			
Equity holders of the Company		**(5,404,344)**	**(4,130,332)**
Total comprehensive loss attributable to:			
Equity holders of the Company		(5,404,344)	(4,130,332)

The accompanying notes form an integral part of these audited financial statements.

Statement of Changes in Equity for the year ended March 31, 2021

Particulars	Share Capital US$	Accumulated Losses US$	Total US$
As at April 1, 2019	1	(31,624,336)	(31,624,335)
Total comprehensive loss for the year	-	(4,130,332)	(4,130,332)
As at March 31, 2020	**1**	**(35,754,668)**	**(35,754,667)**
Total comprehensive loss for the year	-	(5,404,344)	(5,404,344)
As at March 31, 2021	**1**	**(41,159,012)**	**(41,159,011)**

The accompanying notes form an integral part of these audited financial statements.

Statement of Cash Flows for the year ended March 31, 2021

	2021 US$	2020 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,404,344)	(4,130,332)
Adjustments for:		
Depreciation of property, plant and equipment	3,223,254	3,334,774
Interest expense	2,024,514	2,706,168
Interest income	(13)	(1,941)
Loss on disposal of property, plant and equipment	-	334,172
Reversal of loan written back	-	(2,713,177)
Operating loss before working capital changes	**(156,589)**	**(470,336)**
Working capital changes, excluding related to cash:		
Other payables	(56,237)	77,519
Cash used in operations activities	**(212,826)**	**(392,817)**
Interest paid	-	(12,357)
Interest received	13	1,941
Net cash generated used in operating activities	**(212,813)**	**(403,233)**
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from disposal of property, plant and equipment	-	14,241,195
Net cash generated from investing activity	**-**	**14,241,195**
CASH FLOWS FROM FINANCING ACTIVITY		
Loan prepayment	-	(13,987,644)
Net cash used in investing activity	**-**	**(13,987,644)**
Net decrease cash and cash equivalents	(212,813)	(149,682)
Cash and cash equivalents at the beginning of year	1,382,776	1,532,458
Cash and cash equivalents at the end of year (Note 5)	**1,169,963**	**1,382,776**

The accompanying notes form an integral part of these audited financial statements.

Notes to the Financial Statements for the year ended March 31, 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

BAHC 5 Pte. Limited is a private company limited by shares incorporated in Singapore with its registered address at 8 Shenton Way #21-07, AXA Tower, Singapore 068811.

The immediate holding company is Piem International (HK) Limited, incorporated in Hong Kong. The Company's penultimate holding company and ultimate holding company are Piem Hotels Limited and The Indian Hotels Co Ltd respectively, both incorporated in India.

Tata Sons Pvt Ltd, incorporated in India, is the promoter company of The Indian Hotels Co. Ltd.

On August 21, 2009, the Company was acquired by Piem International (HK) Limited on the basis that the latter's shareholding will only be temporary. The Directors of Piem International (HK) Limited have reiterated, from time to time, its intention to hold the Company's shares on a temporary basis. The Directors of Piem Hotels Limited had also, in the past, issued resolution declaring the temporary nature of its shareholding in the Company. On April 24, 2017, the Directors of Piem International (HK) Limited issued yet another resolution reiterating the temporary nature of its shareholding in the Company.

The principal activity of the Company is to retain ownership of aircraft. There have been no significant changes in the nature of these activities during the year.

The financial statements of the Company for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the Directors on April 5, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements, expressed in United States Dollar (USD or US$) which is also the functional currency of the Company, are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 3.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after April 1, 2020. The adoption of these standards did not have any material effect on the financial statements.

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning on or after April 1, 2021, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

Description	Effective for annual periods beginning on or after
Amendments to FRS 116 Leases: Covid-19 Related Rent Concessions	June 1, 2020
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform - Phase 2	January 1, 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
Annual Improvements to FRS 2018 - 2020	January 1, 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non - Current	January 1, 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to determined
Amendments to FRS 103 Business Combinations: Reference to the Conceptual Framework	January 1, 2022
FRS 117 Insurance Contracts	January 1, 2023

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2.2 Going Concern

The Company's current liabilities exceeded its current assets and the accumulated losses exceeded its share capital as at March 31, 2021. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability as a going concern.

The ability of the Company to continue as a going concern depends on the promoter company of the ultimate holding company continuing to provide financial support and the related party of the promoter company not to recall amounts due to them, if any, until all creditors have been paid.

The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Company's ability to operate as a going concern as set forth above. In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities.

2.3 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate depreciation amounts over their estimated useful lives. The estimated useful lives are as follows:

	Years
Aircraft	**15**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.4 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exits, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates use to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.5 Financial Instrument

2.5.1 Financial Assets

Initial Recognition and Measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent Measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and thorough the amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in the other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirely, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2.5.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent Measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.6 Impairment of Financial Assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtos' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.8 Borrowing cost

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.9 Leases

These accounting policies are applied on and after the initial application date of FRS 116, April 1, 2021:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

2.9.1 As Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlaying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.4.

Lease Liabilities

At the commencement date of the lease, the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlaying asset.

Short-Term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of office rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.10 Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate, If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a company of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

(viii) The entity, or any member of a company of which it is a part, provides key management personnel services to the reporting Company or to the parent of the reporting Company.

2.12 Share Capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.13 Foreign Currency Transactions and Balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.14 Employee Benefits

2.14.1 Defined Contribution Plan

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.14.2 Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.15 Taxes

2.15.1 Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.15.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between thee tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable tight exist to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements Made in Applying Accounting Policies

Estimated Useful Life of Property, Plant and Equipment

Estimated useful life for property, plant and equipment is based on the Company's assessment of the expected usage of the asset and expect wear and tear of the asset. The depreciation is charged against the fixed assets to show utilisation of the assets. The estimation of depreciation and useful life requires use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of property, plant and equipment and depreciation expenses in the period in which such estimates has been changed.

Property, plant and equipment are depreciated on a straight-line basis less residual value of 25% of cost over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 15 years. The carrying amount of the Company's property, plant and equipment as at March 31, 2021 is US$51,594,969 (2020: US$54,818,223). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised.

Estimated Impairment of Property, Plant and Equipment

On March 2, 2021, the Company obtained from Aircraft Bluebook a valuation for its airplane (Aircraft G650) amounting to US$49,549,888. Had the Company recognised the impairment of US$2,045,081, the carrying amount of the airplane would have been US$49,549,888. The Company has received an interest from a broker AJM Jet Management Pvt Ltd to purchase the airplane for the price range of US$52,000,000 to US$55,000,000 on March 19, 2021. Based in this, no impairment has been recognised.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

	Aircrafts US$
2021	
Cost	
At beginning and end of year	64,465,088
Accumulated Depreciation	
At beginning of year	9,646,865
Depreciation	3,223,254
At end of year	**12,870,119**
Carrying Amount	
At end of year	51,594,969
2020	
Cost	
At beginning of year	117,465,088
Disposal	(53,000,000)
At end of year	**64,465,088**
Accumulated Depreciation	
At beginning of year	30,066,207
Depreciation	3,334,774
Disposal	(23,754,116)
At end of year	**9,646,865**
Accumulated Impairment	
At beginning of year	14,670,517
Disposal	(14,670,517)
At end of year	-
Carrying Amount	
At end of year	54,818,223

The Aircrafts are held in trust by a bank not in individual capacity, but as owner trustee and registered with the Federal Aviation Administration (FAA) in the United States of America.

Included in property, plant and equipment is an aircraft with carrying amount of US$51,594,969 (2020: US$54,818,223) in which a hypothecation has been agreed to secure a loan (Note 7).

In 2020, the Company disposed one of the aircraft to a third party for US$14,241,195.

5. CASH AND CASH EQUIVALENTS

	2021 US$	2020 US$
Cash at bank	1,169,962	1,382,775
Cash on hand	1	1
	1,169,963	**1,382,776**

6. OTHER PAYABLES

	2021 US$	2020 US$
Accruals	3,781	3,578
Sundry creditors	21,186	77,626
	24,967	**81,204**

7. LOANS

	2021 US$	2020 US$
Principal		
Secured loan - LIBOR plus 3.5%*	14,026,733	14,026,733
Unsecured loan - LIBOR plus 4%	901,935	901,935
Unsecured loan - 2.1%**	65,000,000	65,000,000
	79,928,668	**79,928,668**
Accrued interest	13,970,308	11,945,794
	93,898,976	**91,874,462**

The loan amounts are repayable within 12 months. However, the lenders have agreed not to recall the loans during that period. These loans are from related parties (Note 13).

* The loan is secured by the pledge of shares of the Company held by the immediate holding company, PIEM International (HK) Limited.

** The Company has agreed on a hypothecation, which include a claim toward the said aircraft to secure the loan. The Company retains ownership of the aircraft, but the Lender has the right to seize ownership if the Company defaults (Note 4).

8. SHARE CAPITAL

	2021		2020	
	No. of shares	US$	No. of shares	US$
Ordinary shares issued and fully paid:				
At beginning and end of the year	1	1	1	1

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

9. OTHER INCOME

	2021 US$	2020 US$
Interest income	13	1,941
Loan written back*	-	2,713,177
Miscellaneous income	-	549
	13	**2,715,667**

*During the year, the Company wrote back some of the loan due to refund received by the lender of the original foreign withholding tax.

10. OTHER OPERATING EXPENSES

	2021 US$	2020 US$
Depreciation of property, plant and equipment	3,223,254	3,334,774
Loss on disposal property, plant and equipment	-	334,172
	3,223,254	**3,668,946**

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

11. FINANCE COSTS

	2021 US$	2020 US$
Interest on loans	2,024,514	3,269,765

12. TAXATION

Major components of income tax expense are as follows:

	2021 US$	2020 US$
Current year taxation	-	-

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follow:

	2021 US$	2020 US$
Loss before taxation	(5,404,344)	(4,130,332)
Current tax expense on loss before tax at 17%	(918,738)	(702,156)
Adjustments:		
Non-deductible expenses	892,136	1,163,726
Non-taxable income	26,602	(461,570)
	-	-

13. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	2021 US$	2020 US$
Related Parties		
Loan repayment to	-	(16,700,820)
Interest repayment to	-	(12,358)
Interest expense on loan from	2,024,514	2,706,168

Balances with related parties at the reporting date are set out in Note 7.

Related parties in the financial statements refer to companies within the group of the promoter company of the ultimate holding company.

14. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purpose shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

14.1 Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in a financial loss to the Company. As there are no trade receivable, the Company expose to credit risk is minimal.

14.2 Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalent.

No maturity analysis is presented as all financial assets and liabilities are due within 12 months.

Notes to the Financial Statements for the year ended March 31, 2021 (Contd.)

14.3 Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

14.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents

The Company is not exposed to interest rate risk as it does not have any financial instruments bearing variable interest rate as at the reporting date.

14.3.2 Foreign Currency Risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company's exposure to foreign currency is minimal as all transaction are dealt with in local currency.

15. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2021 US$	2020 US$
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	1,169,963	1,382,776
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Other payables	24,967	81,204
Loans	93,898,976	91,874,462
	93,923,943	**91,955,666**

16. FAIR VALUES

Cash and Cash Equivalents and Other Payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

17. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debts.

No specific gearing ratio has been determined by management with the overall objective to keep the ratio as low as possible and such policy has not been changed since the previous financial year.

The gearing ratios at March 31, were as follows:

	2021 US$	2020 US$
Total trade and other payables and bank borrowings	93,923,943	91,955,666
Less: Cash and cash equivalents	(1,169,963)	(1,382,776)
Net debts	92,753,980	90,572,890
Total equity	(41,159,011)	(35,754,667)
Gearing ratio	-	-

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from March 31, 2020.

18. OTHER MATTER

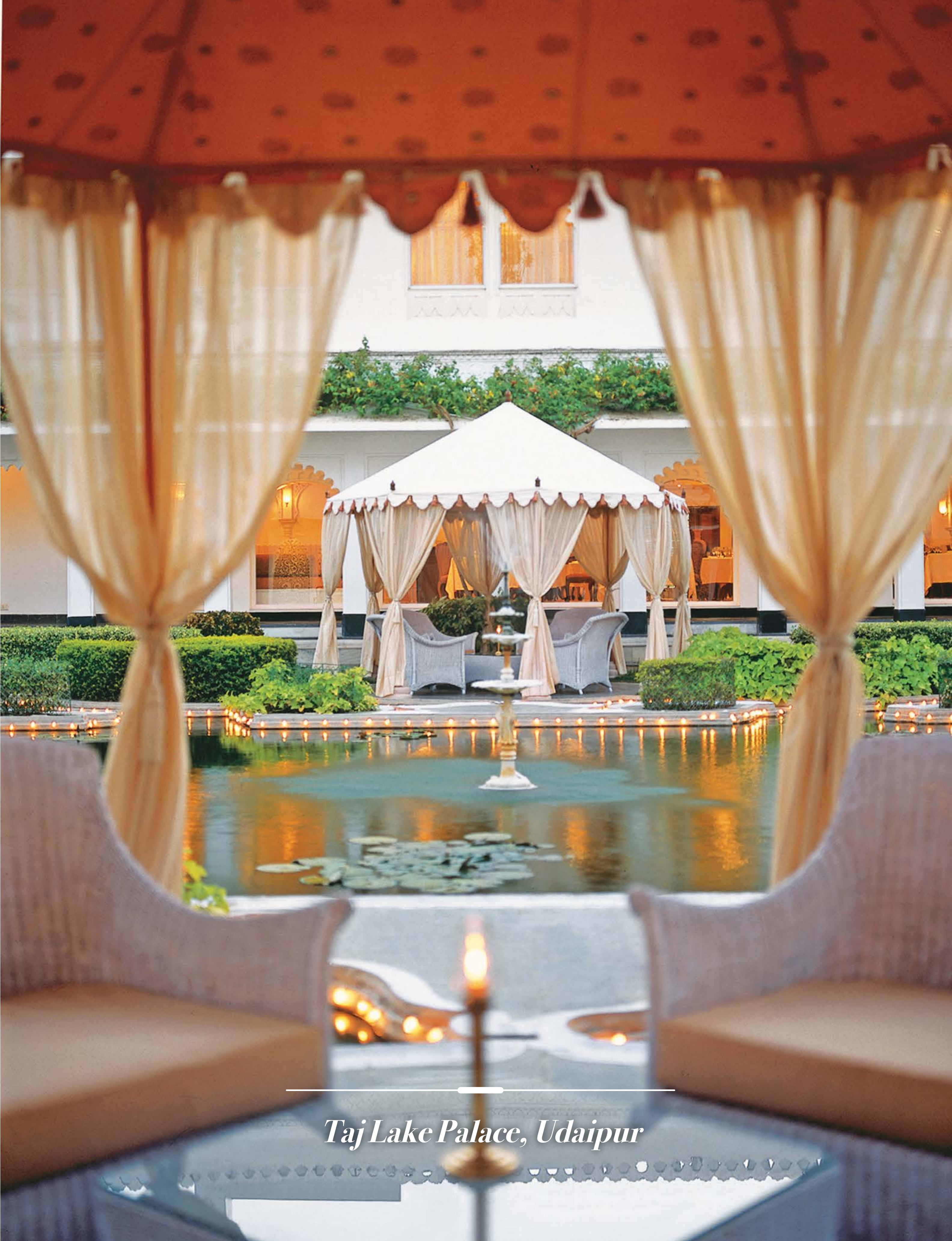
An outbreak of the COVID-19 had been reported to the World Health Organisation in China on December 31, 2019. On January 31, 2020, the World Health Organisation announced then COVID-19 outbreak as a global health emergency. On March 11, 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects.

Management has reviewed the possible impact of the COVID-19 outbreak on the following matters:

(1) Changes in economic and market conditions that affect the fair values of the Company's financial and non-financial assets and liabilities.

(2) Additional expected credit losses due to a decline in the repayment ability of debtors.

Management assessment requires the exercise of judgement and careful consideration of Company's specific facts and circumstances. The Company operates in business segments that have remain relatively stable or unaffected by the outbreak and there may not be a significant increase in loss allowance as the Company's key customers are not in sectors severely affected by the outbreak. The Company will continue to monitor any material impact due to changes in future economic conditions.



Taj Lake Palace, Udaipur

THE INDIAN HOTELS COMPANY LIMITED
MANDLIK HOUSE, MANDLIK ROAD, MUMBAI - 400001
A TATA Enterprise

IHCLTATA.COM

/Concept, content and design at AICL (hello@aicl.in)