

31st March, 2021

**ORCHID HOTELS PUNE PRIVATE
LIMITED**

REGD. OFFICE: KHIL HOUSE, 70-C, NEHRU ROAD, VILE PARLE (EAST), MUMBAI 400 099

14th ANNUAL REPORT

STATEMENT OF AUDITED ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2021

AUDITORS :
M/S N.A. SHAH ASSOCIATES LLP
Chartered Accountants

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the members of Orchid Hotels Pune Private Limited will be held at The Orchid, 70-C, Nehru Road, Vile Parle (East), Mumbai 400099 on Monday, 27th September, 2021 at 1.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statement of the Company for the year ended on 31st March, 2021 and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Vithal V. Kamat (DIN: 00195341), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Vilas Ramchandra Koranne who was appointed as an Additional Director of the Company with effect from 29th June, 2021 and who holds office as such upto the date of 14th Annual General Meeting be and is hereby appointed as a Director of the Company.

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


"RESOLVED THAT pursuant to the provisions of Sections 152, 190, 196, 203 read with Schedule V, Rule 3 and Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Bipinchandra C. Kamdar be and is hereby re-appointed as Managing Director of the Company, who shall not be liable to retire by rotation, for a period of 3 years from 9th November, 2021, on the terms of appointment as set out in the annexed Explanatory Statement in respect of Item No. 4 with the authority to the Board of Directors to alter and vary the said terms of appointment in such manner as may be agreed to, between the Board of Directors and Mr. Bipinchandra C. Kamdar.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, and to sign such other documents/papers, as Board may, in its absolute

discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

By Order of the Board of Directors
For Orchid Hotels Pune Private Limited

Place: Mumbai
Date: 29th June, 2021


Dr. Vithal V. Kamat
DIN 00195341
Director

1. (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
- (b) A person appointed as proxy shall act as a proxy on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled, during the period beginning twenty-four hours before the time fixed for the commencement of the 14th Annual General Meeting and ending with the conclusion of the said Annual General Meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days of notice in writing of the intention so to inspect is given to the Company.

Re-appointment of Mr. Bipinchandra C. Kamdar as Managing Director of the Company for 3 years from 9th November, 2021.

ANNEXURE I TO THE NOTICE

STATEMENT SETTING OUT THE MATERIAL FACTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

The shareholders had, at the Extra Ordinary General Meeting held on 9th November, 2016, appointed Mr. Bipinchandra C. Kamdaras the Managing Director of the Company for a period of 5 years from 9th November, 2016. The tenure of Mr. Bipinchandra C. Kamdar as the Managing Director of the Company would be ending on 9th November, 2021.


The Board of Directors, at its meeting held on 29th June, 2021, approved the re-appointment of Mr. Bipinchandra C. Kamdar as the Managing Director of the Company for a period of 5 years from 9th November, 2021 on the following terms and conditions, subject to approval of the members in general meeting.

- a. As the Managing Director of the Company, Mr. Bipinchandra C. Kamdar shall, subject to the supervision, guidance and control of the Board of Directors, manage the business and affairs of the Company.
- b. Mr. Bipinchandra C. Kamdar shall act in accordance with the Articles of Association of the Company.
- c. Mr. Bipinchandra C. Kamdar shall adhere to Professional conduct, devote sufficient time and attention for the informed decision making, and generally abide with the provisions of the Companies Act, 2013 and the rules made thereunder including duties of a Director mentioned in Section 166 of the Companies Act, 2013.
- d. Mr. Bipinchandra C. Kamdar shall follow the general Business Ethics
- e. Mr. Bipinchandra C. Kamdar shall not be entitled to any remuneration or commission during the term of his appointment as Managing Director.
- f. Mr. Bipinchandra C. Kamdar will not be paid any fee for attending the meetings of the Board or any Committee thereof.
- g. The appointment may be terminated at any time by either party giving to the other party three months notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination.
- h. Tenure: 09-11-2021 to 08-11-2024.

None of the Directors is concerned or interested in the said resolution.

By Order of the Board of Directors
For Orchid Hotels Pune Private Limited

Place: Mumbai
Date: 29th June, 2021


Dr. Vithal V. Kamat
DIN 00195341
Director



BOARD'S REPORT

To,
The Members,

We have pleasure in presenting the 14th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2021.

FINANCIAL SUMMARY:

The financial results for the year under review are summarised below.

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Total Revenue	1,552.21	4,483.57
Total Expenses	2,326.37	4,729.65
Profit/(Loss) Before Finance Cost, Depreciation		1547.77
(Less): Finance Cost	265.37	(272.41)
(Less): Depreciation	732.91	(743.16)
(Less): Exceptional item- Income / (Expense)	(774.16)	(778.28)
Profit/(Loss) Before Tax	(774.16)	(778.28)
<u>Tax Expense:</u>		
Current tax		-
Deferred Tax		-
Profit/(Loss) after tax	774.16	(778.28)
Amount proposed to be carried to reserves		-

STATE OF COMPANY'S AFFAIRS:

The total revenue of the Company for the year was recorded loss at Rs. 1,552.21 lakhs as against Rs. 4,483.57 lakhs in the previous year. The Company has registered loss after tax of Rs. 774.16 lakhs as compared to loss of Rs. 778.28 lakhs in the previous year.

The average room occupancy level of the hotel units of the Company was around 19%, previous year was 70.39% The Average Room Rate, during the year under review, for the hotel units of the Company was Rs. 2,430/- as compared to Rs. 3,107/- in the previous year.

DIVIDEND:

In view of the accumulated losses, your Directors do not recommend dividend for the year under review.

NOTE ON FINANCIAL:

The Company i.e. Orchid Hotels Pune Private Limited (OHPPL), (i) Vide agreement dated 24th December 2018, International Asset Reconstruction Company Private Limited (IARC) purchased the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was sold/assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs on cash basis which as per the legal advice received by the holding Company is not in compliance of the circulars / notifications issued by Reserve Bank of India. Even otherwise, the said sale could not be termed either as sale or assignment as there existed non-compliance of mandatory provisions of law in order to effectuate such a transactions in compliance with the provisions of law.

As per the books of the holding company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st March, 2021 has not been provided in book nor has the same been quantified. Non provision of interest is not in compliance with the accounting treatment as prescribed under Ind. AS 23 Borrowing Cost.

As per the legal opinion obtained by the management of the holding company and in accordance with the settlement arrangement between Company and IARC, the liability shown in financial statement of the company as well as loan and guarantees in the financial statement of the holding company (i.e. Guarantors) would get extinguished. Further, it has been agreed to transfer 100% equity shares to IARC for a consideration of Rs. 1/- and in turn thereof IARC shall release all the corporate and personal guarantees of the holding company unconditionally. The other terms/conditions and obligation as agreed between the parties along with the extinguishment as mentioned above will be accounted when the definitive agreement is executed. IARC has replied to the holding Company, in principle agreeing to the terms of the settlement and also suggested that modalities for achieving this are being worked out. Accordingly, as per the holding company no further liability is required to be accounted now.

The statutory auditors have continued to comment on this matter in their report on the financial results for the quarter and twelve months ended 31st March, 2021 in line with their earlier reports in the consolidated accounts of the holding Company.

SHARE CAPITAL:

During the year under review, no shares with differential voting rights, sweat equity shares or employees stock options were issued by the Company.

During the year under review, there was no change in the Authorized or Paid up Share Capital of the Company.

MATERIAL CHANGES AND COMMITMENT:

There has been no material changes and commitment affecting the financial position of the Company during the financial year 2020-21.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Subsidiary company:	NIL
Joint venture company:	NIL
Associate Company:	NIL
Holding Company	Kamat Hotels (India) Limited

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Dr. Vithal V. Kamat retires by rotation and being eligible offers himself for re-appointment at the ensuing 14th Annual General Meeting. The Directors recommend his re-appointment.

Due to death of Mr. Dinkar D. Jadhav on 19th February, 2021. Mr. Vilas Ramchandra Koarane appointed as Director of the Company.

The Directors conversed some time reminiscing the valuable contribution and achievements of Late Mr. Dinkar D. Jadhav as Director of the Company and valued member of Board.

Re-appointment of Mr. Bipinchandra C.Kamdar as Managing Director of the Company w.e.f 9th November, 2021.

DECLARATION BY INDEPENDENT DIRECTORS:

Mr. Ramnath P. Sarang and Ms. Rubina Khan, Independent Directors of the Company have given declaration as required under Section 149 (7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

EXTRACT OF THE ANNUAL RETURN:

An extract of the annual return in form MGT-9 is enclosed as *Annexure I*.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, Four (4) meetings of the Board of Directors were held viz., on 30th July, 2020, 14th September, 2020, 11th November, 2020 and 8th February, 2021.

The maximum interval between any two meetings did not exceed 120 days.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met once on 24th March, 2021 during the year without the presence of the Chairman or Managing Director or other Non-Independent Directors or any other Management Personnel. The Meeting was conducted in an informal and fluring manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of information between the Company Management and

the Board that is necessary for the Board to effectively and reasonably perform their duties.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by Section 134 (5) of the Companies Act, 2013 the Directors hereby state that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
2. selected accounting policies were applied consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and loss of the Company for the financial year ended on that date.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. annual accounts have been prepared on a going concern basis and;
5. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

NOMINATION AND REMUNERATION POLICY

In terms of Section 178 (3) of the Companies Act, 2013, a policy on Nomination and Remuneration of Directors and Senior Management Employees including, inter alia, criteria for determining qualifications, positive attributes and independence of directors was formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors. The said policy is annexed as *Annexure II*.

PARTICULARS OF LOANS / GUARANTEES GIVEN OR INVESTMENTS MADE:

The particulars of Loan / Guarantees given and Investment made by the Company under Section 186 of the Companies Act, 2013 are given as under:

	Opening Balance (Amount in Rs.)	During the year	Closing Balance (Amount in Rs.)
Loans Given	NIL	NIL	NIL
Guarantee Given	2,47,55,00,000*	NIL	2,47,55,00,000*
Security Provided	NIL	NIL	NIL
Investment Made	NIL	NIL	NIL

* Corporate Guarantee given by the Company to banks/financial institutions for various Credit Facilities availed by Kamat Hotels (India) Limited, the holding Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, all the transactions were made on the terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash. Detailed information of the Related Party Transactions entered by the company during the year is disclosed under point no. ___ of notes to Financial Statements for the year ended 31st March, 2021.

DEPOSITS:

- a. Accepted during the year: The Company has not accepted any deposits during the year.
- b. Remained unclaimed or unpaid as at the end of the year: There was no deposit remaining unpaid or unclaimed at the end of the year.
- c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-
 - i. at the beginning of the year: NIL
 - ii. maximum during the year: NIL
 - iii. at the end of the year: NIL
- d. the details of deposits which are not in compliance with the requirements of Chapter V of the Act: NIL

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) CONSERVATION OF ENERGY:

- (i) The steps taken or impact on conservation of energy: The Company constantly takes necessary energy conservation measures, at the operative hotel of the Company.
- (ii) The capital investment on energy conservation equipments: N.A.

(B) TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption: The activities of Company at present do not involve technology absorption and research and development.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NIL
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;

- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development: NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo:	
Earnings	: Rs. 48.32 Lakhs (Previous year: 270.21Lakhs)
Utilisation (including import of capital goods):	Rs. 0.14 Lakhs (Previous year: 5.68Lakhs)

AUDIT COMMITTEE:

In terms of Section 177 (8) of the Companies Act, 2013, the Board of Directors of the Company has, on 10th April, 2014 constituted an Audit Committee.

The current composition of the Committee comprises of Mr. Ramnath P. Sarang (Independent Director- Chairman), Ms. Rubina Khan (Independent Director – Member) and Mr. Bipinchandra Chunilal Kamdar (Managing Director – Member).

There have been no instances during the year under review, where the Board has not accepted the recommendations made by the Audit Committee.

VIGIL MECHANISM:

In terms of Section 177(9) of the Companies Act, 2013, the Company has established a Vigil Mechanism for directors and employees to report genuine concerns. The vigil mechanism provides for adequate safeguard against victimization of person who use Vigil Mechanism and also provides for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

RISK MANAGEMENT POLICY:

A quarterly review report on compliance with Risk Management policy of the Company is placed before the Audit Committee of the Company.

No element of risk, threatening the existence of the Company was identified during the year.

INTERNAL FINANCIAL CONTROLS:

The Company has adequate internal control systems relating to Purchase, Expense controls, Sales Recording and Audit and Internal Audit. The Company has designed, implemented and has been maintaining adequate internal financial control required for effective hotel operations and safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records etc.

A report on said systems is quarterly placed before the Audit Committee of the Company for its perusal and to determine its adequacy. Such control systems are adequate and commensurate with the size and nature of the business.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY:

The Company continues to be in the Hospitality Business. During the year under review, there was no change in the nature of business of the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, No significant and material order was passed by any regulator, courts or tribunals during the financial years 2020-21.

IMPLEMENTATION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has constituted Internal Complaints Committee at the units of the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No instance of Sexual Harassment of Women under the said Act has been reported at any unit of the Company.

STATUTORY AUDITORS:

The Company had appointed M/s. N. A. Shah Associates LLP, Chartered Accountants (FRN: 116560W/W100149) as the Statutory Auditors for a period of 5 years in the 10th Annual General Meeting of the Company.

EXPLANATION ON QUALIFICATION MADE BY STATUTORY AUDITORS / SECRETARIAL AUDITOR:

As against the dues mentioned in the impugned assignment between ARCIL and IARC of an amount of Rs. 42,110.91 lakhs, the liability as per the books is only Rs. 18,833.99 lakhs (this amount includes interest liability accounted in books upto 30th September, 2013).

IARC has bought the loans from Asset Reconstruction Company India Limited ('ARCIL') at a consideration of 13,500 lakhs in cash. Interest has not been provided in the books from 1st October, 2013 till 31st March, 2019. In the auditors' opinion, the same is not in compliance with Ind AS 23- Borrowing Cost. Further, the change in interest claim from 25th December, 2018 till 31st March, 2019 has not been considered.

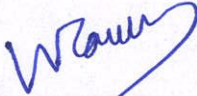
EXPLANATION AND COMMENTS BY THE BOARD ON MATTER OF EMPHASIS MADE IN THE AUDITORS' REPORT:

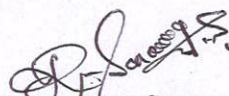
With regard to matter of emphasis no. 1 to 3 in the Auditor's report, the same are self explanatory and do not call for further explanation.

ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for the sincere and whole hearted co-operation extended by all the concerned, particularly Department of Tourism, company's bankers, Municipal authorities, Government of Maharashtra, Central Government, suppliers, clientele and look forward to their continued support. The Directors also thank the employees for their continued support and confidence in the Company and its management.

For and on behalf of the Board of Directors
For Orchid Hotels Pune Private Limited


Dr. Vithal V. Kamat
DIN00195341
Director


Ramnath P. Sarang
DIN 02544807
Director

Place: Mumbai
Date: 29th June, 2021



**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2021

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U55101MH2007PTC170188
- ii) Registration Date :- 21/04/2007
- iii) Name of the Company :- Orchid Hotels Pune Private Limited
- iv) Category / Sub-Category of the Company :- Company Limited by Shares / Indian Non Government Company
- v) Address of the Registered office and contact details :- Ground Floor, KHIL House,70 – C, Nehru Road, Near SantacruzAirport, Vile Parle (East), Mumbai - 400099
- vi) Whether listed company:- Yes / No
- vii) Name, Address and Contact details of Registrar and Transfer Agent: N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hotels and Restaurants	99633102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1.	Kamat Hotels (India) Limited Address: 70-C, Nehru Road, Near SantacruzAirport, Vile Parle – East, Mumbai - 400099	L55101MH1986 PLC039307	Holding Company	100%	2(46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	% Change during the year
§			

	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bodies Corp.	1,17,64,706	NIL	1,17,64,706	100%	1,17,64,706	NIL	1,17,64,706	100%	NIL
e. Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (A) (1):-	1,17,64,706	NIL	1,17,64,706	100%	1,17,64,706	NIL	1,17,64,706	100%	NIL
(2) Foreign									
a. NRIs – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Other-Individual	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Bodies Coprp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Any other.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (A) (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter (A) = (A)(1)+(A) (2)	1,17,64,706	NIL	1,17,64,706	100%	1,17,64,706	NIL	1,17,64,706	100%	NIL
B. Public Shareholding									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g. FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h. Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

i. Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub – Total (B) (1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non Institutions									
Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i. Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii. Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i. Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii. Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c (i) Clearing Member	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c (ii) Non Resident Indians (Repat)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c (iii) Non Resident Indians (Non Repat)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c (iv) Foreign Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub – Total (B) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	1,17,64,706	NIL	1,17,64,706	100%	1,17,64,706	NIL	1,17,64,706	100%	NIL

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Kamat Hotels (India) Ltd	1,17,64,703	100%	78.99%	1,17,64,703	100%	78.99%	NIL
2	Dr. Vithal V. Kamat (Beneficial owner: Kamat Hotels (India) Ltd)	2	0.00%	NIL	2	0.00%	NIL	NIL
4	Mr. Narendra D. Pai (Beneficial owner: Kamat Hotels (India) Ltd)	1	0.00%	NIL	1	0.00%	NIL	NIL

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

SR. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date	N.A.	N.A.	N.A.	N.A.
	wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	N.A.	N.A.	N.A.	N.A.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

SR. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year Dr. Vithal V. Kamat (Beneficial owner: Kamat Hotels (India) Ltd)	1	0.00%	1	0.00%
1	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1	0.00%	1	0.00%
	At the End of the year	2	0.00%	2	0.00%
	Dr. Vithal V. Kamat (Beneficial owner: Kamat Hotels (India) Ltd)				

V. INDEBTEDNESS

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

(Rs. In lakhs)

	Secured Loans	Unsecured Loans	Deposits	Total
Indebtednes at the beginning of the Financial Year				
Principal Amount	17,415.31	-	-	17,415.31
Addition	-	-	-	-
Reduction	-	-	-	-
Interest Due but not paid	1,418.68	-	-	1,418.68
Addition	-	-	-	-
Reduction	-	-	-	-
Interest Accrued but not due	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Change in Indebtedness during the Financial Year				
Addition	-	-	-	-

Reduction	-	-	-	-
Indebtednes at the end of the Financial Year				
Principal Amount	17,415.31	-	-	17,415.31
Interest Due but not paid	1,418.68	-	-	1,418.68
Interest Accrued but not due	-	-	-	-
Total	18,833.99	-	-	18,833.99

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Mr. Bipinchandra Chunilal Kamdar	Dr. Vithal V. Kamat	
1.	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of Profit - other, specify	-	-	-
5.	Others, please specify Fees for attending the Board Meetings of the Company	-	-	-
	Total (A)	-	-	-
	Ceiling as per Act	-	-	-

B. Remuneration to other directors:

Sr No	Particulars of Remuneration	Total Amount			Total
		Mr. Ramnath P. Sarang	Ms. Rubina Khan	Mr. Dinkar D. Jadhav	
3.	Independent Directors				
	• Fee for attending Board Committee Meetings	40000	40000	40000	120000
	• Commission	NIL	NIL	NIL	NIL

	<ul style="list-style-type: none"> Others, Please specify 				
	i. Fee for attending Audit Committee Meetings	NIL	NIL	NIL	NIL
	ii. Fee for Committee Meetings	NIL	NIL	NIL	NIL
	iii. Fee for Stakeholders Relationship Committee Meeting	NIL	NIL	NIL	NIL
	Total (1)	40000	40000	40000	120000
	4. Other Non Executive Directors	--	--	--	--
	<ul style="list-style-type: none"> Fee for attending Board Committee Meetings Commission Others, please specify 				
	Total (2)	--	--	--	--
	Total (B) = (1+2)	40000	40000	40000	120000
	Total Managerial Remuneration	40000	40000	40000	120000
	Overall Ceiling as per Act (for Sitting Fees) Rs.	40000	40000	40000	120000

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross salary	N.A.	4,86,726	4,69,842	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				

(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	--	--	--
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		--	--	--
Stock Option	N.A.	--	--	--
Sweat Equity	N.A.	--	--	--
Commission - as % of Profit - other, specify	N.A.	--	--	--
Others, please specify	N.A.	--	--	--
Total	N.A.	4,86,726	4,69,842	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES against the Company, Directors and other officers in default under the Companies Act, 2013:
NONE

For and on behalf of the Board of Directors
For Orchid Hotels Pune Private Limited

Dr. Vithal V. Kamat
DIN00195341
Director

Ramnath P. Sarang
DIN 02544807
Director

Place: Mumbai
Date: 29th June, 2021

NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the hotel industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 10th April, 2014.

Effective Date:

This policy shall be effective from 10th April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board had at its meeting held on 10th April, 2014 constituted a Nomination and Remuneration Committee. Presently, the Nomination and Remuneration Committee comprises of the following Directors:

Sr. No.	Name	Position
1.	Mr. Ramnath P. Sarang	Chairman (Nominee Director of Holding

		Company)
2.	Mr. Bipinchandra Chunilal Kamdar	Member (Managing Director)
2.	Mr. Vilas R. Koranne	Member (Non – Executive Director)
3.	Ms. Rubina Khan	Member (Independent Non – Executive Director)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions:

- **Board** means Board of Directors of the Company.
- **Directors** mean Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means Orchid Hotels Pune Private Limited.
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel (KMP)** means-
 - (i) Executive Chairman and / or Managing Director;
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **Senior Management** means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and

nomination and Part – C covers remuneration and perquisites etc.

- The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:
 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- Term / Tenure:
 1. Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of

term.

2. **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

• **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

• **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

• **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C
POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME
DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

• **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st October in respect of a Whole-time Director and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

• **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply

with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• **Remuneration to Non- Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.



Independent Auditors' Report

To,
The Members of
Orchid Hotels Pune Private Limited

Report on the Ind AS financial statements

Qualified opinion

We have audited the accompanying Ind AS financial statements of **Orchid Hotels Pune Private Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, and the Statement Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together 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, except for the effects of the matter described in the 'Basis for qualified opinion' section of our report, 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 including the Ind AS, of the financial position of the Company as at 31st March 2021, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for qualified opinion

Reference is invited to note 25.4 of the Ind AS financial statements which states that vide agreement dated 24th December 2018, International Asset Reconstruction Company Private Limited (IARC) acquired the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs. As per the books of the company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st March, 2021 has not been provided in book nor has the same been quantified. Non provision of interest is not in compliance with the accounting treatment as prescribed under Ind AS 23 Borrowing Cost. As per the legal opinion obtained by the management, no further liability is required to be accounted now considering the terms for settlement arrangement and pending execution of the definitive agreement (the modalities of which are being worked out).

Had the provision been made, borrowing cost and loss for the year ended 31st March, 2021 and negative net worth as at 31st March, 2021 would increase by the amount of interest for the period 1st October, 2013 to 31st March, 2021 which has not been provided as per the management's view mentioned above.

In respect of above matter, qualification was also given in the independent auditor's report for financial year 2019-2020 dated 30th July 2020 and financial year 2018-2019 dated 27th May 2019.

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 ethical requirements that are relevant to our audit of the Ind AS financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, 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 qualified opinion.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditors' Report (Contd.)

Material uncertainty related to going concern

Reference is invited to note 44 of the Ind AS financial statements which states that the Company has incurred losses in the current year and also in the previous year. Its net worth is fully eroded and also its current liabilities exceeds the current assets as on 31st March, 2021 and as on 31st March, 2020. Further, there are defaults in repayment of loans & interest and non-provision of interest as mentioned in note 25.4 of the financial statements. Considering, the limited support available from the Holding Company due to its financial constraints, considering provision for impairment of property, plant and equipment made in the previous year (also refer note 34.1) and earlier year and management's action to mitigate the impact of COVID-19 as described in note 45, in the opinion of the management, the financial statements are prepared on going concern basis.

Our opinion is not modified in respect of above matter. In respect of above matter, attention was also drawn by us in the independent auditor's reports for financial year 2019-2020 dated 30th July 2020 and 2018-2019 dated 27th May 2019. Our conclusion was not modified in respect of above matter in previous years also.

Emphasis of matter

- (a) Attention is invited to note 25.5 of the Ind AS financial statements in respect of dispute over lease rent levied by Director of Sports, pertaining to the period from 1st November, 2014 to 31st March, 2021 the Company has accounted for the liability amounting to Rs. 1,535.79 lakhs; which is after making the part payment of Rs.129.83 lakhs in quarter ended 30th September,2020. Further, during the year ended 31st March, 2020, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved.
- (b) Attention is invited to note 39.5 of notes to Ind AS financial statements. The Company is in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.
- (c) Attention is invited to note 45 of the financial statements, in respect of the possible effect of uncertainties relating to Covid-19 pandemic on the Company's financial performance as assessed by the management.
- (d) Attention is invited to note 12.1 of the financial statements in respect of payment of unsecured advance by the company of Rs. 600 lakhs to Joint Developer for cost to be incurred in respect of joint development agreement entered in September 2019 to develop and commercially exploit certain properties over the land on which the company holds leasehold rights. As per the terms agreed between the joint developer and the company, the said amount would be utilised for obtaining / seeking the necessary approvals for the development of above-mentioned property. Further as per confirmation received as at 31st March 2021 from the joint developer, no cost has been incurred against the above advance.

Our opinion is not modified in respect of above matters. In respect of the matter covered in paragraph (a) to (c) above, attention was also drawn by us in our independent auditor's reports for financial year 2019-2020 dated 30th July 2020. Our opinion was not modified in respect of above matter in previous years also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis of Qualified Opinion', 'Material Uncertainty Related to Going Concern', and 'Emphasis of Matter' section above, we have determined the matters described below to be the key audit matters to be communicated in our report:



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Chartered Accountants

Independent Auditors' Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Adequacy of provision for impairment of property, plant and equipment (PPE) in subsidiary company</i></p> <ul style="list-style-type: none"> - We refer to note 5.3 & note 5.4 of the financial statements. The subsidiary company (Orchid Hotels Pune Private Limited) had provided for impairment loss on leasehold building aggregating to Rs. 21,932.29 lakhs. - The management evaluates the indicators of impairment of the said PPE by reference to the requirements under Ind AS 36 Impairment of Assets. The recoverable amounts of the above PPE are estimated based on expected business and earnings forecasts and key assumptions including those related to discount and long-term growth rates. - The management has concluded that the recoverable amount of the said PPE is higher than its carrying amount (net of impairment) and accordingly, no further impairment provision has been recorded as at 31 March, 2021. Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such PPE as a key audit matter. 	<p>We assessed the appropriateness of the carrying value of the tangible assets by performing the following audit procedures:</p> <ul style="list-style-type: none"> - Assessed the valuation methodology used by management and tested the mechanical accuracy of the impairment models; - Evaluated the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; - Appraised the appropriateness of the business assumptions used by the management, such as revenue growth, profit margin, occupancy level. - Considered whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures. - Assessed the adequacy and compliance of the disclosures made by the management in the note 5.3 & note 5.4 of the financial statements.
<p><i>Corporate guarantee given on behalf of holding company - accounting treatment</i></p> <p>Refer note 2.5(vii) and note 35(e) of notes to financial statement. The Company has given corporate guarantee on behalf of holding company towards loan facilities from banks / others. The holding company has incurred losses during the year.</p> <p>Assessment of obligation towards the corporate guarantee and consequential recoverability has been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> - Significance of the carrying amount of balances. - The assessment requires management to make significant estimates concerning the estimated future cash flows, operations of the holding company including any possible impact arising out of the COVID-19 pandemic on these estimates. - Changes to any of these assumptions could lead to material changes in the estimated obligation and recoverable amounts. 	<p>This matter is discussed with the management.</p> <ul style="list-style-type: none"> - Management and those charge with governance are of the view that the holding company is taking appropriate steps to ensure that there are no defaults in repayments of loan from banks / other lenders. Hence, no obligation is required to be accounted out of the financial guarantee given by the Company. - We assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements including possible impact of COVID-19 pandemic as well as the disclosures made in the financial statements as per Ind AS 109 Financial Instruments.



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Independent Auditors' Report (Contd.)

Other matters

Due to COVID-19 outbreak and related lockdown in various states where the property of the Company is located, we could not be present at such property during the physical verification of inventories carried out by the management. We have relied on the same and performed alternate procedures to audit the existence of inventory as at year end.

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

Information other than the Ind AS financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board's Report including Annexures to Board's Report but does not include the Ind AS financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will 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 identified above when it becomes available 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 matter to those charged with governance and make other appropriate reporting as prescribed.

Responsibilities of management and those charged with governance for the 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, 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 Ind AS financial statement 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.

Auditor's 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 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,

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Chartered Accountants

Independent Auditors' Report (Contd.)

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.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 Ind AS 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.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditors' Report (Contd.)

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, we report that
 - a) Except for the matters described in the Basis of qualified opinion paragraph above, we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
 - b) Except of the effects of the matters described in the Basis of qualified opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of aforesaid financial statements 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) Except for the effects of the matters described in the Basis of qualified opinion paragraph above which is not in accordance with Ind AS 23 – Borrowing Cost, in our opinion, the Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - e) The matters described in 'Basis for qualified opinion', 'Emphasis of matter' and 'Material Uncertainty related to Going Concern' paragraph above, in our opinion, may have an adverse impact on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for qualified opinion paragraph above.
 - i) During the year, there is no managerial remuneration. Hence, reporting under section 197(16) of the Act is not applicable.
 - j) 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 details of pending litigations and its impact on its financial position (as applicable) in the Ind AS financial statements- Refer note 25.1, 25.4, 25.5, 33.1, 33.2, 38.2(c), 38.2(d) and 38.2(e)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditors' Report (Contd.)

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

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560W / W100149




Milan Mody

Partner

Membership No.: 103286

UDIN: 21103286AAAAEB1106

Place: Mumbai

Date: 29th June, 2021

N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Orchid Hotels Pune Private Limited

Annexure A to independent Auditors' Report for the year ended 31st March 2021

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

i. In respect of fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company are physically verified by the management subsequent to year end. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) As per the information and explanation given to us and on the basis of our examination of the records of the Company, it holds immovable properties ("buildings") that have been built on land taken on lease which are disclosed as a part of the property, plant and equipment of the Company in the Ind AS financial statements. The lease agreement is in the name of the Company.

ii. In our opinion, physical verification of inventories has been conducted by management at reasonable intervals. The discrepancies noticed on such verification by management, were not material and have been properly dealt with in the books of account.

iii. According to the information and explanation given to us, the Company has not granted any loan secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, clause (iii) (a), (b), (c) of paragraph 3 of the Order is not applicable

iv. As per the information and explanation given to us, in respect of guarantee given in earlier years, the Company has complied with provisions of section 186 of the Act and section 185 of the Act is not applicable. Further, as informed to us the Company has not made any investments, given loan or provided security to which the provisions of section 185 and 186 of the Act is applicable.

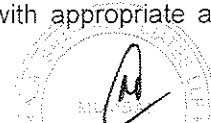
v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of provisions of Section 73 to 76 of the Act and the rules framed there under. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act. Accordingly, clause (vi) of paragraph 3 the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including income tax, sales tax, service tax, duty of customs, duty of excise, cess and any other material statutory dues, as applicable to the Company, during the period with the appropriate authorities except minor delays in payment of provident fund, professional tax, employees' state insurance, value added tax and goods and service tax (GST). There are no undisputed amounts payable in respect of statutory dues outstanding as at 31st March 2021 for a period of more than six months from the date they become payable.

(b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax which have not been deposited with appropriate authorities on account of any dispute except as mentioned below:



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Orchid Hotels Pune Private Limited

Annexure A to Independent Auditors' Report for the year ended 31st March 2021

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

Name of the Statute	Amount (Rs. In lakhs)	Nature of the dues	Financial Year to which matter pertains	Forum where dispute is pending
Maharashtra Value Added Tax Act 2002	11.02	Tax liability	2011-12	Joint Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act 2002	191.92	Tax liability	2016-17	Deputy Commissioner of Sales Tax

- viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in payment of interest and repayment of principal to banks as tabulated below:

Sr. No.	Name of the lender	Amount of default (Rs. In lakhs)	Period of delay	Remarks
1	International Asset Reconstruction Company*	17,415.31	2831 days	Principal
		1,418.68**	2893 days	Interest

*Outstanding term loan and interest assigned by ICICI Bank to Asset Reconstruction Company India Limited (ARCIL) in earlier years. During the earlier year, this ARCIL has assigned this loan to International Asset Reconstruction Company (IARC).

**Excluding liability not provided in the books of account [Also refer note 25.4].

The Company has not borrowed any money from the financial institution, Government or by way of debentures.

- ix. The Company has neither raised money by way of initial public offer or further public offer [including debt instruments] & term loans during the year nor does it have opening balance. hence clause (ix) of paragraph 3 of the Order is not applicable.
- x. During the course of our examination of the books of account 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 incidence of fraud by the Company or any fraud on the Company by its employees / officers, nor have been informed of any such case by the management.
- xi. The Company has not paid or provided any managerial remuneration. Hence, reporting under clause (xi) of paragraph 3 of the Order is not applicable.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transaction with related parties are in compliance with Section 177 and Section 188 of Act and details have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosure specified under section 133 of the Act [Also refer note 39 of Ind AS financial statements], read with Rule 7 of the Companies (Accounts) Rules 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, question of our comment on compliance with provisions of Section 42 of Act does not arise.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Orchid Hotels Pune Private Limited

Annexure A to Independent Auditors' Report for the year ended 31st March 2021

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him. Therefore, question of our comment on compliance with provisions of Section 192 of the Act does not arise.
- 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.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W/W100149



Milan Mody

Partner

Membership No. 103286

UDIN: 21103286AAAAEB1106

Place: Mumbai

Date: 29th June 2021

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Orchid Hotels Pune Private Limited

Annexure B to the Independent Auditor's Report for the year ended 31st March 2021

[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls over financial reporting of **Orchid Hotels Pune Private Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Operating effectiveness of processes Information Technology and General Controls, Direct and Indirect Taxation, Book Closure, Treasury and Property, Plant & Equipment's for current year have been tested and complied by the internal auditors based on discussion with concerned process owners, past experience and verification of details, wherever possible. Due to the pandemic situation and limited access, auditors were unable to conduct full-fledged review. In this respect, we have performed alternate procedures for the purpose of our assertions and opinion.

In our opinion, read with our comments above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting

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, issued by 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 Act.

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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 qualified audit opinion on the Ind AS financial statements.

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Orchid Hotels Pune Private Limited

Annexure B to the Independent Auditor's Report for the year ended 31st March 2021

[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

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 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 Ind AS 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.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W / W100149



Milan Mody

Partner

Membership No. 103286

UDIN: 21103286AAAEB1106

Place: Mumbai

Date: 29th June, 2021

Particulars	Note no.	As at 31st March 2021	As at 31st March 2020
ASSETS			
A Non-current assets			
a) Property, plant and equipment	5	13,925.58	14,624.04
b) Capital work-in-progress	6	-	-
c) Right of use assets	7	1,532.80	1,564.98
d) Intangible assets	8	12.97	11.14
e) Financial assets			
i) Loans	9	24.52	49.94
ii) Other financial assets	9A	0.92	3.34
f) Deferred tax assets (Net)	10	-	-
g) Income tax assets (Net)	11	103.74	84.52
h) Other non-current assets	12	600.09	2.57
	(A)	16,200.62	16,340.53
B Current assets			
a) Inventories	13	30.31	55.70
b) Financial assets			
i) Trade receivables	14	51.29	110.82
ii) Cash and cash equivalents	15	654.45	1,250.35
iii) Bank balances other than (ii) above	15	46.10	41.10
iv) Other financial assets	16	8.13	12.13
c) Income tax assets (Net)	16A	-	85.12
d) Other current assets	17	159.10	148.60
	(B)	949.38	1,703.82
TOTAL (A + B)		17,150.00	18,044.35
EQUITY AND LIABILITIES			
A Equity			
a) Equity share capital	18	1,176.47	1,176.47
b) Other equity	19	(30,336.43)	(29,581.97)
	(A)	(29,159.96)	(28,405.50)
Liabilities			
B Non-current liabilities			
a) Financial liabilities			
i) Borrowings	20	19,646.40	19,646.40
ii) Lease liabilities	21	1,431.61	1,404.92
b) Provisions	22	58.68	82.82
	(B)	21,136.69	21,134.14
C Current liabilities			
a) Financial liabilities			
i) Trade payables	23		
- Amount due to Micro and small enterprises		35.00	42.32
- Amount due to other than Micro and small enterprises		197.12	281.99
ii) Lease liabilities	24	165.31	192.17
iii) Other financial liabilities	25	24,731.42	24,641.55
b) Other current liabilities	26	38.95	151.23
c) Provisions	27	5.47	6.45
	(C)	25,173.27	25,315.71
TOTAL (A+B+C)		17,150.00	18,044.35

Significant accounting policies and notes to financial statements 1 to 47

The notes referred to above form an integral part of the financial statements
As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

Milan Mody
Partner
Membership No. : 103286



For and on behalf of the Board of Directors of
Orchid Hotels Pune Private Limited

Dr. Vithal V. Kamat
Director
DIN: 00195341

Nitin Rajenimbalkar
Chief Financial Officer

Ramnath P. Sarang
Director
DIN: 02544807

Hemal Sagalia
Company Secretary



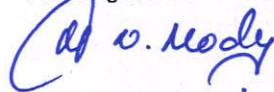
Statement of profit and loss for the year ended 31st March 2021

(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)

Particulars	Note no.	Year ended 31st March 2021	Year ended 31st March 2020
A Income			
Revenue from operations	28	1,504.14	4,440.73
Other income	29	48.07	42.35
Total income (A)		1,552.21	4,483.08
B Expenses			
Consumption of food and beverages	30	162.00	401.47
Employee benefits expense	31	346.04	1,176.84
Finance cost	32	265.37	272.41
Depreciation and amortisation	5 & 7	732.91	743.16
Other expenses	33	820.05	2,135.28
Total expenses (B)		2,326.37	4,729.16
C (Loss) before exceptional items and tax (A - B) (C)		(774.16)	(246.08)
Exceptional item - income / (expense)	34	-	(532.20)
D (Loss) before tax (D)		(774.16)	(778.28)
E Tax expense:			
- Current tax	10	-	-
- Deferred tax charge/ (credit)		-	-
- (Excess) / short provision for current tax / deferred tax (net)		-	-
Total tax expense (E)		-	-
F (Loss) after tax (D - E) (F)		(774.16)	(778.28)
G Other comprehensive income			
a. (i) Items that will not be reclassified to statement of profit and loss			
- Remeasurement of defined benefit plans - Gain/(loss)		19.70	(2.18)
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		-	-
b. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be classified to statement of profit and loss		-	-
Other comprehensive income for the year (G)		19.70	(2.18)
H Total comprehensive income / (loss) for the year (F + G)		(754.46)	(780.46)
Basic and diluted earnings/ (loss) per share	40	(6.58)	(6.62)
Equity shares [Face value of Rs. 10 each]			
Significant accounting policies and notes to financial statements	1 to 47		

The notes referred to above form an integral part of the financial statements
As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

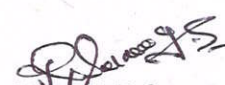



Milan Mody
Partner
Membership No. : 103286

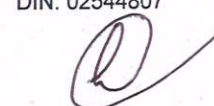


For and on behalf of the Board of Directors of
Orchid Hotels Pune Private Limited


Dr. Vithal V. Kamat
Director
DIN: 00195341


Rammath P. Sarang
Director
DIN: 02544807


Nitin Rajenimbalkar
Chief Financial Officer


Hemal Sagalia
Company Secretary



Statement of changes in equity for the year ended 31st March 2021

(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance	1,176.47	1,176.47
Changes in equity share capital during the year	-	-
Closing balance	1,176.47	1,176.47

(Also refer note 18)

(b) Other equity

Particulars	Reserves & surplus		OCI*	Total other equity
	Securities Premium	Retained Earnings	Remeasurement of defined benefit plans	
Balance as at 1st April, 2019	6,379.62	(35,195.29)	14.16	(28,801.51)
(Loss) for the year 2019-2020	-	(778.28)	-	(778.28)
Other comprehensive income/ (loss) for the year 2019-2020	-	-	(2.18)	(2.18)
Balance as at 31st March 2020	6,379.62	(35,973.57)	11.98	(29,581.97)
(Loss) for the year 2020-2021	-	(774.16)	-	(774.16)
Other comprehensive income/ (loss) for the year 2020-2021	-	-	19.70	19.70
Balance as at 31st March 2021	6,379.62	(36,747.73)	31.68	(30,336.43)

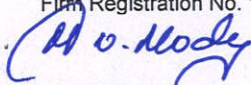
(Also refer note 19)

*Other comprehensive income

The notes referred to herein above form an integral part of financial statements.

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149



Milan Mody
Partner
Membership No. : 103286



For and on behalf of the Board of Directors of
Orchid Hotels Pune Private Limited

Dr. Vithal V. Kamat
Director
DIN: 00195341

Nitin Rajenimbalkar
Chief Financial Officer

Place: Mumbai
Date: 29th June, 2021

Ramnath P. Sarang
Director
DIN: 02544807

Hemal Sagalia
Company Secretary



Orchid Hotels Pune Private Limited

CIN: U55101MH2007PTC170188

Statement of Cash Flow for the year ended 31st March, 2021

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars	Note no.	Year ended 31st March 2021	Year ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss) before taxation and other comprehensive income		(774.16)	(778.28)
Adjustments for:			
Finance cost		265.37	272.41
Interest income		(43.22)	(31.21)
Depreciation and amortisation expenses		732.91	743.16
Provision for impairment of property, plant and equipment (Exceptional item)		-	532.20
Provision for doubtful custom duty receivable		-	45.00
(Gain) on sale of property, plant and equipment		(0.18)	-
Excess provision of expected credit loss written back		(5.05)	(27.24)
Operating profit / (loss) before working capital changes		175.67	756.04
Movements in working capital : [Including current and non-current]			
Decrease in loans, trade receivable and other assets		82.00	125.86
Decrease in inventories		25.39	12.31
(Decrease) / increase in trade payable, other liabilities and provisions		(243.95)	78.84
		39.11	973.05
Adjustment for:			
Direct taxes - Refund received / (taxes paid) (net)		68.96	(74.30)
Net cash generated from operating activities...(A)		108.07	898.75
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment and intangible asset (Including capital work in progress and capital advances)		(607.67)	(135.34)
Sale of property, plant and equipment		0.23	-
Interest received		47.22	23.78
(Increase) in bank balance [current and non-current] (other than cash and cash equivalent)		(5.00)	(6.32)
		(565.22)	(117.88)
Adjustment for:			
Direct taxes - (taxes paid) (Tax deducted at source)	43(i)	(3.06)	(2.13)
Net cash generated / (used) in investing activities(B)		(568.28)	(120.01)



Orchid Hotels Pune Private Limited

CIN: U55101MH2007PTC170188

Statement of Cash Flow for the year ended 31st March, 2021

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars	Note no.	Year ended 31st March 2021	Year ended 31st March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES			
Temporary repayment of long term borrowing		(660.00)	(1,320.00)
Temporary repayment received back		660.00	1,320.00
Payments of lease liabilities		(129.83)	-
Interest paid (Including other borrowing cost)		(5.86)	(13.47)
Net cash generated / (used in) financing activities(C)		(135.69)	(13.47)
Net increase / (decrease) in cash and cash equivalents (A+ B + C)		(595.90)	765.27
Cash and cash equivalents at beginning of the year	16	1,250.35	485.08
Cash and cash equivalents at end of the year		654.45	1,250.35
Net increase / (decrease) in cash and cash equivalents		(595.90)	765.27

Notes:

(i) Statement of cash flows has been prepared under "indirect method" as set out in Ind AS 7 - "Statement of Cash Flows".

(ii) Refer note 43 for other notes in relation to statement of cash flows.

Significant accounting policies and notes to financial statement

1 to 47

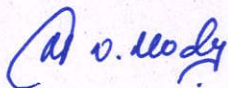
The notes referred to herein above form an integral part of financial statements.

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149



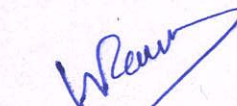
Milan Mody

Partner

Membership No. : 103286



**For and on behalf of the Board of Directors of
Orchid Hotels Pune Private Limited**



Dr. Vithal V. Kamat

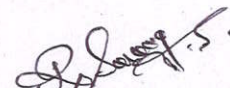
Director

DIN: 00195341



Nitin Rajenimbalkar

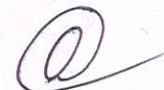
Chief Financial Officer



Ramnath P. Sarang

Director

DIN: 02544807



Hemal Sagalia

Company Secretary

Place: Mumbai

Date: 29th June, 2021

Place: Mumbai

Date: 29th June, 2021



1. Background

The Company was incorporated on 21st April 2007 under Companies Act, 1956 and is domiciled in India. The registered office of the Company is located at Ground Floor, KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai 400099. The Company is in the hospitality business. Currently, it has hotel in the Pune. Company has taken land on lease period of 60 years from Director of Sports of Youth Services at Balewadi, Pune and has constructed hotel under Build, Operate and Transfer (BOT) model.

The financial statements of the Company for the year ended 31st March 2021 were approved and adopted by board of directors of the Company in their meeting held on 29th June 2021.

2. Basis of preparation

2.1. Statement of compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Basis of preparation and presentation

These financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

- i) Certain financial assets and liabilities (including derivative instruments);
- ii) Defined benefit plans – plan assets;

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

2.3. Functional and presentation of currency

The financial statements are prepared in Indian rupees which is also the Company's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.4. 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. A fair value measurement assumes 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 market or the most advantageous market must be accessible to 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 based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. 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 future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortization of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortization and decommissioning costs are critical to the Company's financial position and performance.

ii) 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 industry practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

For trade receivables, Company has applied simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognized from initial



iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Income taxes

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Company has recognized the deferred tax on unused tax losses / unused tax credits only to the extent of the corresponding deferred tax liability. Any increase in probability of future taxable profit will result into recognition of unrecognized deferred tax assets.

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 and loss.

v) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits 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 / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Going concern

The Company has incurred losses in the current year and in the previous year and its current liabilities exceeds the current assets as on 31st March, 2021 and also its net worth is fully eroded as of that date. Further, there are defaults in repayment of loans & interest and non-provision of interest as mentioned in note 25.4. Considering, the limited support available from the holding company due to its financial constraints and considering provision for impairment of property, plant and equipment's made in the earlier year, in the opinion of the management, the financial results are prepared on going concern basis. Also refer note 44.

vii) Corporate Guarantee

In earlier financial year, the Company had given corporate guarantee on behalf of holding company aggregating to Rs. 24,755.00 lakhs (Previous year: Rs. 24,755.00 lakhs) towards loan facilities taken from banks / others. Holding Company had also given guarantee towards loan taken by the Company and it does not expect any outflow on account of this guarantee. In view of the management, KHIL is taking appropriate steps to ensure that there are no defaults in repayments of loan from Banks / other lenders. Hence, management is not expecting any obligation required to be accounted out of the financial guarantee given by the Company.

viii) Impairment of property plant and equipment

In the earlier years, management of the Company had reviewed the recoverable value in respect to net block of property, plant and equipment's and based on such assessment (including offers received pursuant to action initiated by the lender) provision for impairment loss amounting to Rs. 21,400.09 lakhs was recognized. In the previous year, based on assessment of estimate of working of net present value of CGU, further impairment provision of Rs. 532.20 lakhs was made. Total amount of impairment loss recognized till



financial statements. In the current year, no further provision is required based on the management's estimates.

3. Significant Accounting Policies

3.1. Presentation and disclosure of financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of service i.e. hospitality and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower. Capital expenditure on rebranding and upgradation of the hotel property are amortized over the period of 3 years.

Leasehold land considered as finance lease is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

De-recognition

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



3.3. Intangible assets and amortisation

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Computer software are amortized in 10 years on straight line basis. In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition. Amortization methods and useful lives are reviewed at each financial year end and adjusted prospectively.

3.4. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognized impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognized are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortization had no impairment loss been recognized in earlier years.

3.5. Inventories

Inventories comprises of stock of food, beverages, stores and operating supplies and are valued at lower of cost (computed on weighted average basis) or net realizable value. Purchase of operating supplies (other than initial acquisition during the pre-commencement of the hotel and commencement of new restaurants / outlets) is charged to statement of profit and loss in the year of consumptions. The Cost comprises of cost of purchases, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost of inventories is arrived at after providing for cost of obsolescence.

3.6. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue from operation comprises of sale of rooms, banquets, food & beverages and allied services relating to hotel operations, membership fees etc.

(i) Revenue from sale of rooms, banquets, food & beverages and allied services are recognized upon rendering of service. Revenue is recognized net of indirect taxes.



- (ii) Initial non-refundable membership fee is recognized as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognized as income on time proportion basis.
- (iii) For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.
- (iv) Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.7. Employee benefits

- Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

a. Defined contribution plan

The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b. Post-employment benefit and other long term benefits

The Company has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits and long service rewards. Company's obligation towards gratuity liability is unfunded. The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, and (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Gains or losses on the curtailment or settlement of defined benefit plan are recognized when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

The cost of providing benefit under long service awards scheme is determined on the



3.8. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.9. Leases

Where the Company is lessee

The Company has applied Ind AS 116 - "Leases" from 1st April, 2019 using the modified retrospective approach.

Right-of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the standalone balance sheet as at 31st March, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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. The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Company recognises 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 comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the 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 remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

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



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.

Where the Company is the lessor

At the inception of the lease, the Company classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has given certain properties on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognized in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognized immediately in Statement of profit and loss.

3.10. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized.

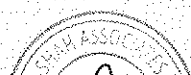
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.11. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into



For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.12. Cash flow statement

Cash flows are reported using the indirect method, where by net profit before tax 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 item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.13. Provisions, contingent liabilities, contingent assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.14. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.15. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities



3.15.1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; 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.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling 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; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognized in profit or loss 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. Dividends recognized in profit or loss are included in the 'Other income' line item.



Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or 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 recognized 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.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognizes a financial asset 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.



3.15.2. Financial liability and equity instrument

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 profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

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; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.



However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent 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 capitalized 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 gross carrying amount on initial recognition.

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 initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

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.

Reclassification

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



De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between 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 de-recognized and the consideration paid and payable is recognized in profit or loss.

4. New standard issued and existing standards modified

a. The Ministry of Corporate Affairs (MCA) has notified amendments to 22 Ind ASs vide notification dated 18th June 2021 applicable from immediate effect.

- (a) Ind AS 116 Leases
- (b) Ind AS 109 Financial Instruments
- (c) Ind AS 101 Presentation of Financial Statements
- (d) Ind AS 102 Share-Based Payment
- (e) Ind AS 103 Business Combinations
- (f) Ind AS 104 Insurance Contracts
- (g) Ind AS 105 Non-current assets held for sale and discontinued operations
- (h) Ind AS 106 Exploration for and evaluation of mineral resources
- (i) Ind AS 107 Financial Instruments: Disclosure
- (j) Ind AS 111 Joint Arrangements
- (k) Ind AS 114 Regulatory Deferral Accounts
- (l) Ind AS 115 Revenue from Contracts with Customers
- (m) Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- (n) Ind AS 16 Property, Plant and Equipment
- (o) Ind AS 34 Interim Financial Reporting
- (p) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets
- (q) Ind AS 38 Intangible Assets

Key highlights of the amendments are as follows:

- Amendment with respect to interest rate benchmark reforms have been made in Ind AS 107, Ind AS 109, Ind AS 104 and Ind AS 116 etc.
- Lessees now permitted to apply the practical expedient to rent concessions w.r.t. reduced lease payments which are due on or before 30th June 2022 (earlier it was till 30 June 2021).
- The bare text of standards has been aligned with 'the Conceptual Framework of Financial reporting under Ind ASs, issued by the ICAI'.

The Company is in process of evaluating the impact of amendment's in above Ind ASs. The amendments in Ind ASs (Ind AS 1, Ind 12, Ind AS 27, Ind AS 28 and Ind AS 40) are minor corrections having no consequential impact.



5	Property, plant and equipment	Building on lease hold land and lease hold improvement (Refer note 5.1, 5.3 & 5.4)	Plant & Equipment	Furniture & Fixtures	Office Equipments	Total
	Gross carrying value					
	Balance as at 1st April, 2019	37,497.92	2,343.59	154.99	19.15	40,015.65
	Additions during the year 2019-2020	74.65	60.74	11.56	0.49	147.44
	Deletions during the year 2019-2020	-	-	-	-	-
	Balance as at 31st March, 2020	37,572.57	2,404.33	166.55	19.64	40,163.09
	Additions during the year 2020-2021	-	-	0.65	-	0.65
	Deletions during the year 2020-2021	-	-	-	0.24	0.24
	Balance as at 31st March, 2021	37,572.57	2,404.33	167.20	19.40	40,163.50
	Accumulated depreciation					
	Balance as at 1st April, 2019	23,227.30	963.98	101.22	4.66	24,297.16
	Additions during the year 2019-2020	502.61	186.91	17.68	2.49	709.69
	Deletions during the year 2019-2020	-	-	-	-	-
	Impairment loss (Refer note 34.1)	532.20	-	-	-	532.20
	Balance as at 31st March, 2020	24,262.11	1,150.89	118.90	7.15	25,539.05
	Additions during the year 2020-2021	506.76	185.45	5.04	1.81	699.06
	Deletions during the year 2020-2021	-	-	-	0.19	0.19
	Balance as at 31st March, 2021	24,768.87	1,336.34	123.94	8.77	26,237.92
	Net carrying amount					
	Balance as at 31st March, 2021	12,803.70	1,067.99	43.25	10.64	13,925.58
	Balance as at 31st March, 2020	13,310.46	1,253.44	47.65	12.49	14,624.04

Notes:

- 5.1 Cost includes improvement to building constructed on leasehold land.
- 5.2 The entire block assets of the Company is mortgaged/ hypothecated towards term loan facility from lenders (Refer note 24.2).
- 5.3 Accumulated depreciation of 'building on lease hold land and lease hold improvement' as at 1st April, 2019 is net of impairment loss of Rs. 21,400.09 lakhs.
- 5.4 Based on management's assessment of net recoverable value of property, plant and equipment, the company had provided for impairment loss of Rs. 532.20 lakhs in the previous year. Total provision for impairment loss till 31st March 2021 amounts to Rs. 21,932.29 lakhs. No further provision is considered necessary by the management.

6	Capital work in progress	As at 31st March 2021	As at 31st March 2020
	Opening balance	-	-
	Add: Additions during the year	4.11	147.44
	Less: Capitalised during the year	4.11	147.44
	Closing balance	-	-

7	Right of use asset	Land	Total
	Gross carrying value		
	Balance as at 1st April, 2019	-	-
	Additions during the year 2019-2020	1,597.24	1,597.24
	Deletions during the year 2019-2020	-	-
	Balance as at 31st March, 2020	1,597.24	1,597.24
	Additions during the year 2020-2021	-	-
	Deletions during the year 2020-2021	-	-
	Balance as at 31st March, 2021	1,597.24	1,597.24
	Accumulated depreciation		
	Balance as at 1st April, 2019	-	-
	Additions during the year 2019-2020	32.26	32.26
	Deletions during the year 2019-2020	-	-
	Balance as at 31st March, 2020	32.26	32.26
	Additions during the year 2020-2021	32.18	32.18
	Deletions during the year 2020-2021	-	-
	Balance as at 31st March, 2021	64.44	64.44
	Net carrying amount		
	Balance as at 31st March, 2021	1,532.80	1,532.80
	Balance as at 31st March, 2020	1,564.98	1,564.98

(Refer note 42)



Notes to financial statements for the year ended 31st March, 2021

(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)

8 Other intangible assets	Software	Total
Gross carrying value		
Balance as at 1st April, 2019	9.18	9.18
Additions during the year 2019-2020	4.44	4.44
Deletions during the year 2019-2020	-	-
Balance as at 31st March, 2020	13.62	13.62
Additions during the year 2020-2021	3.46	3.46
Deletions during the year 2020-2021	-	-
Balance as at 31st March, 2021	17.08	17.08
Accumulated amortisation		
Balance as at 1st April, 2019	1.28	1.28
Additions during the year 2019-2020	1.20	1.20
Deletions during the year 2019-2020	-	-
Balance as at 31st March, 2020	2.48	2.48
Additions during the year 2020-2021	1.63	1.63
Deletions during the year 2020-2021	-	-
Balance as at 31st March, 2021	4.11	4.11
Net carrying amount		
Balance as at 31st March, 2021	12.97	12.97
Balance as at 31st March, 2020	11.14	11.14

Notes:

- 8.1 Software is other than internally generated software.
8.2 Balance useful life of intangible asset is 1 year to 9 years (Previous year: 1 year to 9 years).

9 Loans (Unsecured, considered good)	As at 31st March 2021	As at 31st March 2020
Non-current		
Security deposit	24.52	49.94
Total	24.52	49.94



9A	Other financial assets	As at 31st March 2021	As at 31st March 2020
	Non-current		
	Fixed deposit with bank (Margin money) - Maturity of more than 12 Months (Refer note 9A.1)	0.92	3.34
	Total	0.92	3.34

9A.1 Fixed deposit is given as margin money to the Banks for guarantee given by banks to Government and other authorities on behalf of the Company.

10	Deferred tax assets (net)	As at 31st March 2021	As at 31st March 2020
	Major components of deferred tax assets and deferred tax liabilities:		
	Deferred tax assets		
	Carried forward losses as per Income Tax Act, 1961	6,752.02	7,174.56
	Expense allowed on payment basis as per Income tax act, 1961	603.49	545.63
	Difference in net carrying value of property, plant and equipments as per income tax and books	501.65	638.41
	Sub-total (A)	7,857.16	8,358.60
	Less: Deferred tax asset not recognised [Refer Note 10.1(b)]	7,857.16	8,358.60
	Deferred tax assets/(liability) (A-B)	-	-

10.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2021 and 31st March 2020

Particulars	As at 31st March 2021	As at 31st March 2020
Accounting profit before tax from operations	(774.16)	(778.28)
Income tax liability/(asset) as per applicable tax rate i.e. 25.17% (Previous year: 25.17%) Refer note 10.1(b).	(194.83)	(195.88)
(a) Permanent disallowance	0.32	3.63
(b) Reversal of deferred tax asset on expiry of brought forward period of business losses	549.15	-
(c) Deferred tax asset/(liability) not recognised (Refer note (b) below)	(354.64)	192.25
Tax expense reported in the statement of profit and loss	-	-

Particulars	As at 31st March 2021	As at 31st March 2020
Other comprehensive income	19.70	(2.18)
Income tax liability/(asset) as per applicable tax rate i.e. 25.17% (Previous year: 25.17%). Refer note 10.1(b).	4.96	(0.55)
(a) Deferred tax asset/(liability) not recognised (Refer note (b) below)	(4.96)	0.55
Tax expense/(credit) reported in Other comprehensive income	-	-

Note:

- (a) The Company offsets tax assets and liabilities in and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.
- (b) No provision for income tax has been made in the current as well as in the previous year as there is no taxable income as per the Income Tax Act, 1961. Further, the Company has decided to opt for new income tax regime by applying lower rate as per section 115BAA of the Income Tax Act, 1961. Accordingly, deferred tax is calculated at lower tax rate for the year ended 31st March 2020 and onwards. As per Ind AS 12 - Income Taxes, deferred tax asset should be recognised on the carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Considering same, the Company has not recognised deferred tax asset as in near future there is low probability that taxable profit will be available against which it can be utilised.



Notes to financial statements for the year ended 31st March, 2021

(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)

11	Income tax assets (net)	As at 31st March 2021	As at 31st March 2020
	Non-current		
	Income tax (Tax deducted at source)	103.74	84.52
	Total	103.74	84.52

12	Other non current assets	As at 31st March 2021	As at 31st March 2020
	Advance for property, plant and equipment	600.00	2.40
	Prepaid expenses	0.09	0.17
	Total	600.09	2.57

- 12.1 During the year, the Company has paid unsecured advance of Rs. 600 lakhs to Joint Developer for cost to be incurred in respect of joint development agreement entered in September 2019 to develop and commercially exploit certain properties over the land on which the Company holds leasehold rights. As per the terms agreed with the joint developer, the said amount would be utilised for obtaining / seeking the necessary approvals for the development of above-mentioned property. Further, if the joint developer is not able to obtain the requisite development approvals within reasonable time, the said amount subject to deduction for expense incurred by the joint developer would be refunded to the Company. The project is at a very nascent stage and more clarity would emerge over the next few months.

13	Inventories (At lower of cost or net realisable value)	As at 31st March 2021	As at 31st March 2020
	Food and beverages	14.40	31.46
	Stores and operating supplies	15.91	24.24
	Total	30.31	55.70

14	Trade receivable (Unsecured considered good, unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	-Considered good	51.29	110.82
	-Considered doubtful	15.95	23.52
		67.24	134.34
	Less: Allowance for expected credit loss*	15.95	23.52
	Total	51.29	110.82

*The Company recognizes expected loss allowances using the expected credit loss (ECL) model based on 'simplified approach'. Considering same there are trade receivable having significant credit risk [Also refer note 3.15.1 and 36(a)(ii)].

15	Cash and bank balances	As at 31st March 2021	As at 31st March 2020
	Cash and cash equivalent		
	Cash in hand	1.50	3.20
	Balances with bank		
	- In current accounts	77.67	31.69
	- Cheques in hand	150.00	270.00
	- Fixed deposit	425.28	945.46
		654.45	1,250.35
	Bank balances (other than cash and cash equivalent)		
	Fixed deposit (maturity less than 12 months) (Refer note 15.1)	46.10	41.10
	Total	700.55	1,291.45

- 15.1 Bank balances other than cash and cash equivalent includes fixed deposit of Rs. 46.10 lakhs (Previous year Rs. 41.10 lakhs) given as margin money to the Banks for guarantees given by banks to Government and other authorities on behalf of the Company.



16	Other financial asset	As at	As at
		31st March 2021	31st March 2020
	Current		
	Interest on deposits receivable	8.13	12.13
	Total	8.13	12.13

16A	Income tax assets (net)	As at	As at
		31st March 2021	31st March 2020
	Income tax (Tax deducted at source)	-	85.12
	Total	-	85.12

17	Other current assets	As at	As at
		31st March 2021	31st March 2020
	Prepaid expenses	41.07	19.68
	Advance to suppliers	9.83	13.40
	Advance to staff / recoverable	0.86	0.85
	Advances - others	-	0.40
	Export incentives receivable	14.50	14.50
	GST receivable on vendor payment	0.85	0.85
	Balance with authorities (Refer note 17.1 and 17.2)	91.99	143.92
	Less:- Allowance for doubtful receivable	-	(45.00)
		91.99	98.92
	Total	159.10	148.60

17.1 In the earlier years, bank guarantee was invoked by Commissioner of Customs in relation to non-fulfilment of export obligations. The company had submitted all the documents related to fulfilment of export obligations to the custom authorities and order for cancellation of 'Bond and Bank Guarantee' was issued by the Commissioner of Customs. The company has filed application for refund amounting to Rs. 45.00 lakhs with the of Commissioner of Customs. Considering uncertainty of collection, the Company had fully provided for custom duty receivable. During the year, based on final order received, the same has been written off.

17.2 Balance of authorities includes input tax credit (ITC) of Rs. 76.19 lakhs (Previous year: 76.53 lakhs) of Goods and service tax (GST) taken based on legal interpretation.

18	Equity share capital	As at	As at
		31st March 2021	31st March 2020
	Authorised capital		
	2,50,00,000 equity shares (Previous year: 2,50,00,000) of Rs.10 each	2,500.00	2,500.00
	Total	2,500.00	2,500.00
	Issued, subscribed and paid-up		
	1,17,64,706 equity shares (Previous year: 1,17,64,706) of Rs.10 each	1,176.47	1,176.47
	Total	1,176.47	1,176.47

18.1 Terms/ rights attached to equity shares :

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up).

18.2 Movements in equity share capital

Particulars	FY 2020-21		FY 2019-20	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning of the year	1,17,64,706	1,176.47	1,17,64,706	1,176.47
Add: Shares issued during the year	-	-	-	-
Number of shares at the end of the year	1,17,64,706	1,176.47	1,17,64,706	1,176.47



18.3 Details of shareholders holding more than 5 % shares in the Company:

Particulars	As at 31st March 2021		As at 31st March 2020	
	% of holding	Number of Shares *	% of holding	Number of Shares *
Kamat Hotels (India) Limited	100%	1,17,64,706	100%	1,17,64,706

*Out of above two shares are held by Dr. Vithal V. Kamat and one share is held by Mr. Narendra Pai (Previous year one share each held by Dr. Vithal V. Kamat and Mr. Narendra Pai) as nominee of Kamat Hotels (India) Limited.

18.4 Equity shares held by the holding company (also ultimate holding company)

Particulars	As at 31st March 2021		As at 31st March 2020	
	% of holding	Number of Shares*	% of holding	Number of Shares*
Kamat Hotels (India) Limited	100%	1,17,64,706	100%	1,17,64,706

*Out of above two shares are held by Dr. Vithal V. Kamat and one share is held by Mr. Narendra Pai (Previous year one share each held by Dr. Vithal V. Kamat and Mr. Narendra Pai) as nominee of Kamat Hotels (India) Limited.

19 Other equity	As at 31st March 2021	As at 31st March 2020
Securities premium (Refer note 19.1):		
As per last balance sheet	6,379.63	6,379.63
	6,379.63	6,379.63
Retained earnings - Surplus/(Deficit) in the Statement of Profit and Loss:		
As per last balance sheet	(35,973.56)	(35,466.01)
Add: (Loss) for the year	(774.16)	(507.55)
Closing balance	(36,747.72)	(35,973.56)
Other comprehensive income		
As per last balance sheet	11.96	18.43
Income / (loss) for the year	19.70	(6.47)
Closing balance	31.66	11.96
Total	(30,336.43)	(29,581.97)

19.1 Securities premium account is used to record the premium on issue of equity shares. The same will be utilised in accordance with the provisions of the Companies Act, 2013.

20 Borrowings	As at 31st March 2021	As at 31st March 2020
Non-current Secured		
Term loans (Refer Note 25.1, 25.2, 25.3 and 25.4)		
- From others	18,833.99	18,833.99
Unsecured loan		
From holding company (Refer note 20.1)	23,844.56	23,844.56
	42,678.55	42,678.55
Less: Current maturities of long term loans (Refer note 25)	(17,415.31)	(17,415.31)
Less: Interest accrued and due (shown under other financial liabilities) (Refer note 25)	(5,616.84)	(5,616.84)
Total	19,646.40	19,646.40

20.1 The unsecured loan taken from Holding Company (Kamat Hotels (India) Limited) is repayable as per the terms of loan agreement dated 17th March, 2010 and subsequent modifications thereafter subject to availability of funds with the Company. This loan was carrying interest of 14.00% p.a. which was subject to revision based on average cost of borrowings of the Holding Company. In view of various adverse factors and the request made to holding company by the Company for waiver of interest, holding company had waived off interest on the unsecured loan granted until there is improvement in the financial position of the Company. Accordingly no interest is levied w.e.f. 1st January, 2014 till 31st March 2021.



Notes to financial statements for the year ended 31st March, 2021

(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)

21	Lease liabilities	As at 31st March 2021	As at 31st March 2020
	Non-current		
	Lease rent (Refer note 42)	1,431.61	1,404.92
	Total	1,431.61	1,404.92

22	Provisions	As at 31st March 2021	As at 31st March 2020
	Non-current		
	Provision for gratuity (Refer Note 41)	27.30	35.85
	Provision for leave benefits (Refer Note 41)	31.38	46.97
	Total	58.68	82.82

23	Trade payables	As at 31st March 2021	As at 31st March 2020
	Outstanding dues of micro and small enterprises (Refer note 23.1)	35.00	42.32
	Outstanding dues to other than micro and small enterprises	197.12	281.99
	Total	232.12	324.31

- 23.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	As at 31st March 2021	As at 31st March 2020
Dues remaining unpaid at the year end:		
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	31.33	41.00
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	3.67	1.32
(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) Amount of interest due and payable for the year	2.35	0.71
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	3.67	1.32
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid	0.94	1.93

24	Lease liabilities	As at 31st March 2021	As at 31st March 2020
	Current		
	Lease rent (Refer note 42)	165.31	192.17
	Total	165.31	192.17



25 Other financial liabilities	As at 31st March 2021	As at 31st March 2020
Current maturities of long term borrowings (Assigned to IARC) (Refer Note 25.1, 25.2, 25.3 and 25.4)	17,415.31	17,415.31
Interest accrued and due - Others (Refer Note 25.1, 25.2, 25.3 and 25.4)	1,418.68	1,418.68
Interest accrued and due to holding company (Refer note 20.1)	4,198.16	4,198.16
Lease premium payable (Refer Note 25.5 and 33.1)	1,535.79	1,405.94
Creditors for capital expenditure		
- Dues to Micro and small enterprises	-	-
- Dues to others	0.77	6.69
Security deposit	23.19	23.19
Other payable	139.52	173.58
Total	24,731.42	24,641.55

- 25.1** Term loan taken from a bank in earlier years became non-performing asset (NPA) in the year 2013. These loans were assigned by the Bank to Asset Reconstruction Company India Limited (ARCIL) vide assignment agreement dated 27th September 2013. ARCIL (jointly with ICICI Bank had filed a suit before Debt Recovery Tribunal (DRT) for recovery of their dues and seeking some reliefs, which is pending.
- 25.2 Details of security provided**
This loan is secured by (i) first charge on all movable and immovable fixed assets of the Company both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future; (iii) pledge of 30% equity of the Company held by the holding company; (iv) guaranteed by corporate guarantee of Kamat Hotels (India) Ltd (Holding Co.), Kamats Development Private Limited (a Company in which the director of the Company is a director); and (v) personal guarantees of Director and ex-Director.
- 25.3** In respect of borrowing from IARC [assigned by ARCIL], outstanding balance as on 31st March 2021 (including interest liability accounted upto 30th September 2013) is subject to confirmation. No balance confirmation was available in previous year also.
- 25.4** Vide agreement dated 24th December 2018, International Asset Reconstruction Company Private Limited (IARC) purchased the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was sold/assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs on cash basis which as per the legal advice received by the Company is not in compliance of the circulars / notifications issued by Reserve Bank of India. Even otherwise, the said sale could not be termed either as sale or assignment as there existed non-compliance of mandatory provisions of law in order to effectuate such a transactions in compliance with the provisions of law. As per the books of the company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st March, 2021 has not been provided in books nor has the same been quantified. Non provision of interest is not in compliance with the accounting treatment as prescribed under Ind. AS 23 Borrowing Cost. As per the legal opinion obtained by the management and in accordance with the settlement arrangement between holding company, the company and IARC, the liability shown in financial statement of the company as well as loan to subsidiary and guarantees in the financial statement of the holding company (i.e. Guarantors) would get extinguished. Further, the holding company has agreed to transfer 100% equity shares of the company to IARC for a consideration of Rs. 1/- and in turn thereof IARC shall release all the corporate and personal guarantees unconditionally. The other terms/conditions and obligation as agreed between the parties along with the extinguishment as mentioned above will be accounted when the definitive agreement is executed. IARC has replied to the Company, in principle agreeing to the terms of the settlement and also suggested that modalities for achieving this are being worked out. Accordingly as per the Company no further liability is required to be accounted now.
- 25.5** In respect of dispute over lease rent levied by Director of Sports, pertaining to the period from 1st November, 2014 to 31st March, 2021 the Company has accounted for the liability amounting to Rs. 1,535.79 lakhs; which is after making the part payment of Rs. 129.83 lakhs in quarter ended 30th September 2020. Further, during the year ended 31st March, 2020, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved. (Also refer note 33.1). Since full provision has been made, the same has not been not disclosed as contingent liability.

Further, during the year the Company by invoking Covid-19 as the force majeure event, had applied to the authorities for waiver of lease rent during the lockdown imposed by the Government. The said application is pending and waiver, if any, will be accounted in the period / year in which it will be approved.



Orchid Hotels Pune Private Limited

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Notes to financial statements for the year ended 31st March, 2021

(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)

25.6	Particulars of guarantee jointly given by directors/ relatives and other related parties for loan facilities availed by the Company	As at	As at
		31st March 2021	31st March 2020
	(i) by a director of the Company and his relative	18,906.38	18,906.38
	(ii) by Holding Company	18,906.38	18,906.38
	(iii) by a company in which a director of the Company is a director	18,906.38	18,906.38

26	Other current liabilities	As at	As at
		31st March 2021	31st March 2020
	Advance from customers	15.74	69.69
	Statutory dues	23.21	81.54
	Total	38.95	151.23

27	Provisions	As at	As at
		31st March 2021	31st March 2020
	Current		
	Provision for gratuity (Refer note 41)	1.72	1.15
	Provision for leave benefits (Refer note 41)	3.75	5.30
	Total	5.47	6.45



Notes to financial statements for the year ended 31st March, 2021

(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)

28	Revenue from operations	Year ended 31st March 2021	Year ended 31st March 2020
	Room rent income	717.57	2,437.11
	Food and beverages	669.72	1,699.86
	Hall hire charges- income	44.99	187.71
	Other incidental hotel services	28.50	48.26
	Sub total(A)	1,460.78	4,372.94
	Other operating income		
	- Liabilities and provisions no longer payable, written back	16.82	9.38
	- Excess provision of leave encashment written back	4.38	-
	- Excess provision of expected credit loss written back	5.05	27.24
	- License fee	17.11	15.83
	- Export incentives	-	15.09
	Sub total(B)	43.36	67.54
	Total (A+B)	1,504.14	4,440.48
29	Other income	Year ended 31st March 2021	Year ended 31st March 2020
	Interest earned from financial assets at amortised cost		
	- On fixed deposit	40.75	21.34
	- Others	2.47	4.72
	- On income tax refund	-	5.15
	Gain on foreign exchange (net)	0.05	-
	Profit on sale of fixed assets	0.18	-
	Miscellaneous income	4.62	11.88
	Total	48.07	43.09
30	Consumption of food and beverages	Year ended 31st March 2021	Year ended 31st March 2020
	Opening stock	31.46	34.05
	Add: Purchases	144.94	398.88
		176.40	432.93
	Less: Closing stock	14.40	31.46
	Total	162.00	401.47
31	Employee benefits expense	Year ended 31st March 2021	Year ended 31st March 2020
	Salaries and wages	299.27	1,026.38
	Contribution to provident and other funds (net)	14.78	50.95
	Provision for gratuity (Refer note 41)	15.58	13.44
	Provision for leave benefit (Refer note 41)	-	16.77
	Staff welfare expenses	16.41	69.78
	Total	346.04	1,177.32
32	Finance costs	Year ended 31st March 2021	Year ended 31st March 2020
	Interest on delayed statutory dues	5.86	12.87
	Interest expense on lease liabilities (Refer note 42)	259.51	259.54
	Total	265.37	272.41

33 Other expenses	Year ended 31st March 2021	Year ended 31st March 2020
Operating expenses		
Power and fuel	215.43	388.58
Licence, rates and taxes (note 33.1 and 33.2)	161.64	178.10
Guest amenities and supplies	61.50	209.62
Sanitation and laundry (net)	17.53	52.81
Repairs to		
- Building	18.25	235.71
- Plant and machinery	55.77	124.09
- Others	20.04	73.22
Hire charges	12.96	76.78
Management consultancy fees and royalty	59.19	184.80
Water charges	-	23.64
Sub total(A)	622.31	1,547.35
Sales and marketing expenses		
Commission	52.13	216.70
Advertisement, publicity and sales promotion	43.97	158.04
Sub total(B)	96.10	374.74
Administrative and general expenses		
Insurance	32.87	16.45
Travelling and conveyance	10.63	20.70
Printing and stationery	9.59	23.79
Telecommunication expenses	4.02	7.71
Vehicle expenses	5.98	6.96
Legal, professional and consultancy charges	23.38	25.14
Auditors remuneration (Refer note 33.3)	1.44	1.45
Allowance for doubtful receivable (Refer note 33.4)	-	45.00
Bad debts written off (Refer note 33.4)	47.52	-
Less: Utilisation of provision for expected credit loss (Refer note 33.4)	(47.52)	-
Miscellaneous expenses	13.73	65.99
Sub total(C)	101.64	213.19
Total (A+B+C)	820.05	2,135.28

33.1 In earlier years, the Company had filed Arbitration Petition in Pune Court for deciding the disputes with the Director of Sports, Pune requiring reduction in annual lease premium payable to Director of Sports and granting of payment of the said premium in monthly installments instead of advance payment. The Company had also requested for relief from furnishing additional bank guarantee (BG) and restraining the authorities from invoking the existing BGs. Further, the Company had filed Arbitration Petition before the Hon'ble Bombay High Court invoking section 11 of Arbitration and Conciliation Act, 1996 for the dispute on lease premium, bank guarantee, property tax and other matters. As per the order of the court, the Arbitration proceedings has commenced during the year. Adjustment, if any in the books will be made on disposal of the cases.

33.2 The Pune Municipal Corporation (PMC) has been raising demand for property tax for plot of land since 2007 in respect of the Company's property at Balewadi, Pune and Company has paid said taxes. PMC had also revised the Annual Ratable Value (ARV) retrospectively from 1st October, 2008 and assessed the Company's Hotel building for property tax purposes. The Company has disputed the said action and demand by filing a Municipal Appeal in appropriate court, which is pending for hearing.

In the meantime, during the pendency of the matter, the Company had paid entire dues up to March 2017 under Amnesty Scheme. Also, the Company has paid municipal taxes for the subsequent period upto 31st March, 2021. Any adjustments of payment already deposited will be made subject to disposal of the cases.



Notes to financial statements for the year ended 31st March, 2021*(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)***33.3 Auditors' remuneration**

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Statutory audit fees	1.30	1.30
Tax audit fees	0.15	0.15
Total	1.45	1.45

Note: Above fees are excluding of goods and service tax (GST) of Rs.0.25 lakhs (Previous year Rs. 0.25 lakhs).

- 33.4 Bad Debts written off includes Rs. 45.00 lakhs (Previous year Rs. Nil) being irrecoverable custom duty receivable written off. The provision made in previous year towards its non-recoverability of custom duty has been utilised during the year towards such bad debts written off (Refer Note 17.1 above).

34 Exceptional item

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Impairment of leasehold improvement (Refer note 34.1)	-	532.20
Total	-	532.20

- 34.1 In accordance with Ind AS 36 - "Impairment of Assets", based on management's review of the recoverable value in respect to net block of fixed assets as on 31st March 2021, provision for impairment loss amounting to Rs. 532.20 lakhs was recognised in previous year. Total amount of impairment loss recognised till 31st March 2021 including earlier year is Rs. 21,932.29 lakhs.



Financial instruments - Accounting classifications & fair value measurement**Financial instruments by category**

Sr. No.	Particulars	31st March 2021		31st March 2020			
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	Financial assets						
(i)	Other financial asset - Non-current	25.44	-	-	53.28	-	-
(ii)	Trade receivables (net)	51.29	-	-	110.82	-	-
(iii)	Cash and bank balances	700.55	-	-	1,291.45	-	-
(iv)	Other financial assets - Current	8.13	-	-	12.13	-	-
	Total financial assets	785.41	-	-	1,467.68	-	-
B	Financial liabilities						
(i)	Borrowings - Non-current	19,646.40	-	-	19,646.40	-	-
(ii)	Trade payables	232.12	-	-	324.31	-	-
(iii)	Lease liabilities - Current	165.31	-	-	192.17	-	-
(iv)	Lease liabilities - Non-current	1,431.61	-	-	1,404.92	-	-
(v)	Other financial liabilities - Current	24,731.42	-	-	24,641.55	-	-
	Total financial liabilities	46,206.86	-	-	46,209.35	-	-

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

p) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 management assessed that fair value of trade receivables (net), cash and bank balances, other current financial assets, trade payables, other current financial liabilities and lease liabilities-current approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of other non-current financial asset, borrowings- non-current and lease liabilities non-current which will be approximate to their carrying amounts.



Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Fair value of instruments measured at amortised cost:

Particulars	Level	31st March 2021		31st March 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Other financial asset - Non-current	Level 3	25.44	25.44	53.28	53.28
Total financial assets		25.44	25.44	53.28	53.28

Notes:

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits, borrowings etc. because their carrying amounts are a reasonable approximation of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

6 Risk management framework

The Company has exposure to the three risks mainly funding/ liquidity risk, credit risk, market risk. The Company's overall risk management Programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not have any derivative financial instruments. The Board of directors has overall responsibility for the establishment of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and Company's activities.



Credit Risk :

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed mainly to credit risk which arises from cash and cash equivalents and deposit with banks.

(i) Cash and cash equivalent

The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balance and fixed deposits are generally maintained with the banks with whom the Company has regular transactions. Further, the Company does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent and bank deposits.

(ii) Trade receivables

The major exposure to the credit risk at the reporting date is primarily from receivable comprising of trade receivables. Credit risk on receivable is limited due to the Company's diverse customer base. The effective monitoring and controlling of credit risk through credit evaluations is a core competency of the Company's risk management system.

For expected credit loss of trade receivable, Company follows simplified approach as per which provision is made for receivable exceeding six months. This is based on historically observed default rates over the expected life of trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Reconciliation of Expected Credit Allowance (ECL) is as given below:

Particulars	31st March 2021	31st March 2020
Balance at the beginning	23.52	50.76
Less: Reversed	5.05	27.24
Less: Utilized	2.52	-
	15.95	23.52
Add: Provision for ECL made during the year	-	-
Balance at the year end	15.95	23.52



Notes to financial statements for the year ended 31st March, 2021

(Amount in rupees in lakhs, except share and per share data, unless otherwise stated)

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.

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. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets. The Company is also taking the various measures to overcome the challenges posed by the COVID-19 pandemic as explained in note 45.

(i) Maturities of financial liabilities:

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2021				
Borrowings	17,415.31	19,646.40	-	37,061.71
Trade payables	232.12	-	-	232.12
Other financial liabilities - Current	7,316.11	-	-	7,316.11
Lease liabilities	165.31	538.12	893.49	1,596.92
As at 31st March 2020				
Borrowings	17,415.31	19,646.40	-	37,061.71
Trade payables	324.31	-	-	324.31
Other financial liabilities	7,226.22	-	-	7,226.22
Lease liabilities	192.17	625.57	779.53	1,597.09

(ii) **Market risk**

Market risk is the risk that the changes in market prices such as foreign exchange rates and interest rates 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 optimizing the return.

The pre dominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). Company has earnings in foreign currency. There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

(iii) **Interest rate risk**

The Company has outstanding loan payable to holding company and IARC [term loan assigned by ICICI Bank]. With respect to loan from IARC, Company has not provided/ paid any interest on these loans [Refer note 25.4]. With respect to loan from holding company, interest is waived. [Also refer note 20.1]. Considering same, interest rate risk as defined in Ind AS 107 is not quantifiable, since the future cash flows are dependent on settlement procedures and financial position of the Company.

(iv) **Foreign Currency Risk**

The pre dominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). Company has earnings in foreign currency, however it has no exposure in foreign currency at the year end. Considering the same, there is no foreign currency risk to the Company.



Capital risk management

The Company's objective when managing capital are to (i) Safeguarding their ability to continue as going concern, so that they can continue to provide returns for shareholders benefit and (ii) maintain capital structure to reduce the cost of capital. Capital is fully contributed by the Holding Company 'Kamat Hotels (India) Limited'. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. The Company monitors capital using 'Total Debt' to 'Equity'. The Company's total debt to equity are as follows, the necessary actions for its improvement are being taken by the Company:

As stated in note 25.4, borrowings have become non-performing assets and loan was assigned by Bank to ARC. The Company has also offered full co-operation to the lenders on their proposal to find a viable solution for revival of the hotel property.

Particulars	As at 31st March 2021	As at 31st March 2020
Total debt	37,061.71	37,061.71
Total capital (total equity shareholder's fund)	(29,159.96)	(28,405.50)
Net debt to equity ratio	NA	NA

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



38 Capital commitments, other commitments and contingent liabilities**38.1 Capital Commitments**

- (a) Estimated amount of Contracts remaining to be executed on Capital Account Rs. Nil (Previous year: Rs. Nil) (Net of advances)
- (b) Other significant commitments : Nil (Previous year: Nil)

38.2 Contingent liability

- (a) Open import licenses Rs. 2.00 lakhs (Previous year: Rs. 2.00 lakhs).
- (b) Counter Guarantees issued by the Company to secure Bank Guarantees Rs. 18.34 lakhs (Previous year: Rs. 18.34 lakhs).
- (c) Claims against the Company in respect of and disputed claim of additional lease premium of Rs. 225.00 lakhs (Previous year: Rs 225.00 lakhs) by the Director of Sports, Government of Maharashtra.
- (d) ARCIL and ICICI Bank have jointly filed an application before Debt Recovery Tribunal in the earlier year claiming recovery of Rs. 25,237.90 lakhs plus further interest which has not been accepted by the Company and the matter is pending before Debt Recovery Tribunal [Also refer note 25.3 and 25.4]. Company has made interest provision only upto 30th September 2013 pending settlement with lenders. No provision is made for interest for the period from 1st October 2013 to 31st March 2021 pending settlement with the lender (Also refer note 25.4).
- (e) Disputed sales tax demand of Rs. 202.95 lakhs (Previous year: Rs. 11.02 lakhs).

In respect of (a) to (c) above, the Company does not expect any cash outflow. In respect of (d) and (e) above, future cash out flows (including interest / penalty) are determinable on settlement of loan and receipt of judgments by tax authority respectively.

39 Related party transactions**39.1 Name and relationships of related parties:**

a. Holding & Ultimate Holding Company :

Kamat Hotels (India) Limited

b. Entity in which directors of the Company has significant influence:

Kamats Development Private Limited

c. Directors / Key management personnel (KMP):

Director
Chief Financial Officer

Dr. Vithal V. Kamat
Mr. B. C. Kamdar
Mr. Dinkar Jadhav (Upto 19th February 2021)
Mr. Ramnath Sarang
Ms. Rubina Khan
Mr. Nitin Rajenimbalkar (From 14th September 2020)
Mr. Surendar Thiagarajan (Upto 25th November 2019)
[Also Mr. Vaibhav Kadam (From 27th May 2019 to 7th July 2020)

Company Secretary
refer note 39.5]

Mr. Vikram V. Kamat

d. Relatives of director

39.2 Transactions with related parties

Nature of transaction	Name of the Party	Year ended 31st March 2021	Year ended 31st March 2020
Management fees and incentive fees - expenses	Kamat Hotels (India) Limited	57.62	176.67
Staff deputation expenses		48.16	120.66
Temporary repayment of long term borrowing		660.00	1,320.00
Temporary repayment received back		660.00	1,320.00
Taxes paid on corporate guarantee comission		7.84	7.04
Amount towards tax on comission related corporate guarantee		8.26	7.84
Reimbursement of expenses (Paid on behalf of Company)		3.41	1.67



Transactions with related parties (Contd.)

Nature of transaction	Name of the Party	Year ended 31st March 2021	Year ended 31st March 2020
Sitting fees	Mr. Dinkar Jadhav	0.40	0.40
	Mr. Ramnath Sarang	0.40	0.40
	Ms. Rubina Khan	0.40	0.40
Remuneration paid	Mr. Surendar Thiagarajan	-	7.23
	Mr. Nitin Rajenimbalkar	3.44	-
	Mr. Vaibhav Kadam	0.87	3.33

39.3 Closing balances of related parties:

Nature of transaction	Name of the Party	As at 31st March 2021	As at 31st March 2020
Trade payable	Kamat Hotels (India) Limited	91.3	91.43
Loan payable		19,646.40	19,646.40
Interest payable		4,198.16	4,198.16
Corporate Guarantee provided by holding company on behalf of the Company.		21,500.00	21,500.00
Corporate guarantee provided by the Company to bankers for credit facility availed by Holding Company.		24,755.00	24,755.00
Corporate guarantee provided on behalf of the Company.	Kamats Development Private Limited	21,500.00	21,500.00
Personal guarantee	Dr. Vithal V. Kamat	21,500.00	21,500.00
Personal guarantee	Mr. Vikram V. Kamat	21,500.00	21,500.00

39.4 Terms and conditions of related party transactions:

Outstanding balances at the year end are unsecured and settlement occurs in cash. All transactions were made on terms equivalent to those that prevail in arm's length transaction.

39.5 As at the Balance Sheet date, the Company is in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.

40 Earnings/ (loss) per share

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Basic and diluted earning per share		
Net profit/(loss) after tax as per Statement of Profit and Loss (Rs. in lakhs)	(774.16)	(778.28)
Weighted average number of equity shares	1,17,64,706	1,17,64,706
Face value per equity share (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	(6.58)	(6.62)

41 Employee benefit obligations

(i) Defined contribution plans

The Company has certain defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding Company's contributions made during the year:

Particulars of defined contribution plan	Year ended 31st March 2021	Year ended 31st March 2020
Provident fund	4.29	25.51
Pension fund	7.90	13.61
Employees' state insurance (ESIC)	2.55	11.70
Maharashtra labour welfare fund	0.04	0.13
Total	14.78	50.95

(ii) Defined benefit plans and other long term benefits

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. As per the policy of the Company, obligations on account of payment of gratuity of an employee is settled only on termination / retirement of the employee. Gratuity is provided in the books on the basis of Actuarial Valuation. It is an unfunded plan.

Risks associated with plan provisions

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

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on Government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated gratuity, the Company has used following actuarial assumptions:

Particulars	Year ended	Year ended
	31st March 2021	31st March 2020
Discount rate	6.85%	6.85%
Salary escalation	8.00%	8.00%
Attrition rate	5.00%	5.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

Changes in the present value of obligations

Particulars	As at	As at
	31st March 2021	31st March 2020
Liability at the beginning of the year	37.00	21.66
Interest cost	2.50	1.66
Current service cost	13.08	11.79
Benefits paid	(3.86)	(0.29)
Actuarial (gain)/ loss on obligations	(19.70)	2.18
Liability at the end of the year	29.02	37.00

Table of recognition of actuarial (gain)/ loss

Particulars	Year ended	Year ended
	31st March 2021	31st March 2020
Actuarial (gain)/ loss on obligation for the year	(19.70)	2.18
Actuarial (gain)/ loss on planned assets for the year	-	-
Actuarial (gain)/ loss recognized in Other comprehensive income	(19.70)	2.18

Breakup of actuarial gain/loss:

Particulars	Year ended	Year ended
	31st March 2021	31st March 2020
Actuarial loss/(gain) arising from change in demographic assumption	-	(0.01)
Actuarial loss arising from change in financial assumption	-	7.75
Actuarial loss/(gain) arising from experience	(19.70)	(5.56)
Total	(19.70)	2.18

Amount recognized in the Balance Sheet:

Particulars	As at	As at
	31st March 2021	31st March 2020
Liability at the end of the year	29.02	37.00
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	29.02	37.00

Expenses recognized in the Statement of profit and loss

Particulars	As at	As at
	31st March 2021	31st March 2020
Current service cost	13.08	11.79
Interest cost	2.50	1.66
Expense recognized in statement of profit and loss	15.58	13.45

Balance Sheet reconciliation

Particulars	As at	As at
	31st March 2021	31st March 2020
Amount recognized in the Balance Sheet	29.02	37.00
Non-current portion of defined benefit obligation	27.30	35.85
Current portion of defined benefit obligation	1.72	1.15



Sensitivity analysis

Particulars	As at 31st March 2021	As at 31st March 2020
a) Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	27.22	34.68
b) Impact due to decrease of 1%	31.00	39.56
b) Impact of change in salary growth		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	30.82	39.34
b) Impact due to decrease of 1%	27.29	34.77
c) Impact of change in attrition rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	28.67	36.47
b) Impact due to decrease of 1%	29.36	37.53
d) Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	29.01	37.00

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2021	As at 31st March 2020
Weighted average duration of the defined benefit obligation	12.86	12.07

Gratuity liability payout analysis

Particulars	As at 31st March 2021	As at 31st March 2020
1st year	1.72	1.15
2nd year	0.77	1.33
3rd year	1.14	1.06
4th year	1.49	1.61
5th year	1.49	2.37
Next 5 year payout (6-10 year)	9.69	12.97

(b) Leave benefit

As per the policy of the Company, obligations on account of encashment of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method. It is an unfunded plan.

Risks associated with plan provisions

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

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on Government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated absences, the Company has used following actuarial assumptions:

Particulars	As at 31st March 2021	As at 31st March 2020
Discount Rate	6.85%	6.85%
Salary escalation	8.00%	8.00%
Attrition Rate	5.00%	5.00%
Mortality Rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)



Changes in the present value of obligations:

Particulars	As at 31st March 2021	As at 31st March 2020
Liability at the beginning of the year	52.27	50.34
Interest cost	2.87	3.12
Current service cost	6.10	13.30
Benefits paid	(12.76)	(14.83)
Actuarial (gain)/loss on obligations	(13.35)	0.34
Liability at the end of the year	35.13	52.27

Table of recognition of actuarial gain / loss :

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Actuarial (Gain)/Loss on obligation for the year	(13.35)	0.34
Actuarial (Gain)/Loss on assets for the year	-	-
Actuarial (Gain)/Loss recognized in Statement of Profit and Loss	(13.35)	0.34

Amount recognized in the Balance Sheet:

Particulars	As at 31st March 2021	As at 31st March 2020
Liability at the end of the year	35.13	52.27
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	35.13	52.27

Expenses recognized in the Statement of Profit and Loss:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current service cost	6.10	13.30
Interest cost	2.87	3.12
Actuarial (gain)/ loss	(13.35)	0.34
Expense recognized in Statement of Profit and Loss	(4.38)	16.76

Balance Sheet reconciliation

Particulars	As at 31st March 2021	As at 31st March 2020
Amount Recognized in Balance Sheet	35.13	52.27
Non-current portion of defined benefit obligation	31.38	46.97
Current portion of defined benefit obligation	3.75	5.30



Sensitivity analysis

Particulars	As at 31st March 2021	As at 31st March 2020
a) Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	31.11	42.39
b) Impact due to decrease of 1%	33.65	45.90
b) Impact of change in salary growth		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	33.63	45.88
b) Impact due to decrease of 1%	31.12	42.40
c) Impact of change in attrition rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	32.23	43.94
b) Impact due to decrease of 1%	32.44	44.24
d) Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	32.33	44.08

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2021	As at 31st March 2020
Weighted average duration of the defined benefit obligation	8.15	12.07
Projected benefit obligation	35.13	52.27

Leave liability payout analysis

Particulars	As at 31st March 2021	As at 31st March 2020
1st year	3.41	4.37
2nd year	2.90	4.30
3rd year	2.82	3.83
4th year	3.04	3.74
5th year	2.65	4.25
Next 5 year payout (6-10 year)	14.67	19.43

42 Leases

Company as a lessee:

a) The Company has taken land from Balewadi Sports Club under Build, Operate and Transfer arrangement for a period of 60 years for construction of hotel property. This is non-cancellable operating lease. Lease premium are payable on yearly basis as per the lease premium schedule mentioned in Concession Agreement.

b) For depreciation and carrying value of right of use asset, refer table below:

ROU asset	2020-21		2019-20	
	Carrying value as at year end	Depreciation for the year	Carrying value as at year end	Depreciation for the year
Land	1,532.80	32.18	1,564.98	32.26

c) Disclosure with respect to lease under Ind AS-116 Leases:

Particulars	2020-21	2019-20
Interest expense on lease liabilities	259.51	259.54
Lease expenses in case of short term leases	-	-
Lease expenses in case of low value leases (other than short term as disclosed above)	-	-
Lease expenses debited to lease liabilities	259.70	259.70
Total cash outflow for leases [incl. short term & low value leases]	(129.83)	-
Additions to ROU assets (including additions as on 1st April 2019)	-	1,597.24
Variable lease payments not considered in measurement of lease liabilities	-	-
Income from subleasing ROU assets	-	-



43 Note on Statement of Cash Flows

- (i) Aggregate amount of outflow on account of direct taxes paid is Rs. Nil (Previous year: Rs. 76.43 lakhs) and inflow is Rs. 65.90 lakhs (Previous year Rs. Nil)
- (ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	1st April 2020	Cash flow	Non-cash changes	31st March 2021
Borrowings from Bank / others	42,678.55	-	-	42,678.55
Particulars	1st April 2019	Cash flow	Non-cash changes	31st March 2020
Borrowings from Bank / others	42,678.55	-	-	42,678.55

- 44 The Company has incurred losses in the current year and also in the previous year. Its net worth is fully eroded and also its current liabilities exceeds the current assets as on 31st March, 2021 and as on 31st March 2020. Further, there are defaults in repayment of loans & interest and non-provision of interest as mentioned in note 25.4 above. Considering, the limited support available from the Holding Company due to its financial constraints, considering provision for impairment of property, plant and equipment made in the previous year (also refer note 34.1) and earlier year and management's action to mitigate the impact of COVID-19 as described in note 45, in the opinion of the management, the financial results are prepared on going concern basis.
- 45 The business has been severely impacted during the year on account of COVID-19. With the lifting of the lockdown restrictions by Central and State Governments, the Company has re-opened its hotels and operations has gradually increased. On account of above, the Company has carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial results including potential impact of COVID-19. Based on such assessment, in the opinion of management, provision for impairment loss was recognised during the year ended 31st March 2020 and no further provision is required to be made as the Company expects to recover the carrying amounts of all the assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor the future economic conditions and assess its impact on financial statements.
- 46 There are no reportable segments under Ind AS-108 'Operating Segments' as the Company is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the Companies total revenue during the year ended 31st March 2021 and 31st March 2020.
- 47 Foreign currency exposure outstanding as on 31st March 2021: Nil (Previous year: Nil). There are no outstanding derivative contracts as on 31st March 2021 (Previous year: Nil).

The notes referred to herein above form an integral part of financial statements.
As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

Milan Mody
Partner
Membership No. : 103286



Place: Mumbai
Date: 29th June, 2021

For and on behalf of the Board of Directors of
Orchid Hotels Pune Private Limited

Dr. Vithal V. Kamat
Director
DIN: 00195341

Nitin Rajeshimbalkar
Chief Financial Officer

Place: Mumbai
Date: 29th June, 2021



Ramnath P. Sarang
Director
DIN: 02544807

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021