

BELAIRE HOTELS PRIVATE LIMITED

CIN – U55101MH2007PTC170789

Address: 4th Floor, Raheja Tower, Plot No. C-30, Block ‘G’, Bandra Kurla Complex, Bandra (East),
Mumbai 400051 Tel: +91-22-26564000 Fax: +91-22-26565451

BOARD’S REPORT

To,
The members
Belaire Hotels Private Limited (herein after referred as “the Company”)

Your Directors submit their Thirteenth Annual Report on the business and operations of your Company along the financial statements for the year ended March 31, 2020.

1. Financial Summary:

The financial results of your Company for the year in comparison with the previous year are summarized below.

Description	F.Y. 2019-20 Rupees in Millions	F.Y. 2018-19 Rupees in Millions
Income		
Operational Income	388.32	429.60
Other Income	7.98	8.74
Total Income	396.30	438.34
Expenditure		
Direct expenses	37.99	39.06
Administration & other expenses	335.33	312.57
Finance Cost	94.48	113.32
Depreciation / Amortization	100.09	92.22
Total Expenditure	567.89	557.17
Profit / (Loss) for the year before tax	(171.59)	(118.83)
Provision for Tax including deferred tax	(0.03)	-
Re-measurement Loss of the defined benefit plans	(0.08)	0.09
Net Profit/ (Loss) after Tax for the year	(171.70)	(118.74)
Provision for proposed Dividend	-	-
Dividend Distribution Tax	-	-

2. Review of Performance:

Your Company is operating a single Hotel, Novotel Pune Nagar Road. During the year under review, the Operating Income from the Hotel has reduced by 10% over the previous year from Rs. 429.60 Million to Rs. 388.32 Million in the year under review. The Average Daily Room (“ADR”) rate for the Hotel increased by 5% over the previous year to Rs. 4,905/-, however the room occupancy fell by 1000 bps to 61%; leading to reduction in room revenue by 10% from Rs. 279.01 Million to 249.96 Million in the year under review. Further, the revenue from food & beverages also decreased by 9% over the previous year from Rs. 145.11 Million to Rs. 132.60 Million in the year under review.

Operating Expenses for the year under review increased by 6%. This was due to one-time expense of Rs. 18 Million, provision of doubtful debtors & obsolete inventories of Rs. 3.45 Million and GST liability of Rs. 2.6 Million for the previous years. This resulted in the reduction of EBIDTA by 74% over the previous year, from Rs. 86.82 Million to Rs. 22.87 Million in the year under review.

The depreciation/amortisation during the year, was Rs. 100.09 Million which was marginally higher over the previous year, mainly due to capitalization of foreign exchange loss on External Commercial Borrowings of Rs. 101.30 Million was capitalised and apportioned to various assets.

Globally the hospitality sector has been one of the most severely affected industries due to Covid-19 Pandemic. The global travel advisories, suspension of visas, prohibition against mass gatherings has led to heavy cancellation of guest rooms & 'Meetings Incentive Conference and Exhibitions' in the last quarter of the FY 2019-20. Further due to the lockdown declared by the Government, the hotel has not been taking guests from March 25, 2020.

As on the date of this report, the lockdown has still not been lifted and in Maharashtra, Hospitality Industry is still not permitted to start operations, other than serving of stranded passengers and government employees and doctors serving during Covid 19. Further international travel has not yet been opened and visa restrictions continue to apply. The same would continue to impact your Company. Your Company is optimistic of the demand in the Hospitality picking up and is geared to welcome guests, immediately on the lockdown being lifted.

3. Dividend:

Due to losses in the year under review and carried forward loss, your Directors have not recommend any Dividend.

4. Transfer to Reserves:

No amount for the year is transferred to any 'Reserve Account' of the Company.

5. Public Deposits:

During the year, your Company has neither accepted nor renewed any 'Public Deposit' within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

6. Material Changes and Commitments:

Save and except the impact of the Covid-19 Pandemic on the operations of your Company, which is being faced by the entire Hospitality Sector, there have been no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

7. Authorised Share Capital

During the year, pursuant to the approval of the members at their meeting held on May 24, 2019 the authorized share capital of your Company was increased from Rs. 1,260,000,000/- [*comprising of 126,000,000 Equity Shares of Rs. 10/- each*] to Rs. 1,330,000,000 [*comprising of 133,000,000 Equity Shares of Rs. 10/- each*] thereby an increase of Rs. 7,000,000 [*comprising of 700,000 Equity Shares of Rs. 10/- each*].

Subsequently, pursuant to the approval of the members at their meeting held on September 28, 2019, the authorized share capital of your Company was again increased from Rs. 1,330,000,000 [*comprising of 133,000,000 Equity Shares of Rs. 10/- each*] to Rs. 1,410,000,000/- [*comprising of 141,000,000 Equity Shares of Rs. 10/- each*] thereby an increase of Rs. 80,000,000 [*comprising of 8,000,000 Equity Shares of Rs. 10/- each*].

8. Rights Issue of Equity Shares

During the year, your Company issued and allotted Equity Shares to the existing members of the Company in proportion to their shareholding, in three tranches, by way of Rights Issue, as follows:

- a. 7,000,000 Equity Shares were issued and allotted on May 8, 2019;
- b. 7,500,000 Equity Shares were issued and allotted on August 7, 2019; and
- c. 8,500,000 Equity Shares were issued and allotted on November 8, 2019

9. Share Purchase Agreement

On January 17, 2020, your Company, Belaire Holdings Limited and AAPC India Hotel Management Private Limited entered into a Share Purchase Agreement with Chalet Hotels Limited (**'Share Purchase Agreement'**) for the purpose of transferring and selling 100% of the issued, subscribed and paid up share capital of Company comprising of (i) 10,41,21,580 Equity Shares of Rs. 10/- each and 62,53,262 Fully Compulsorily Convertible Debentures of Rs. 100/- each held by Belaire Holdings Limited and (ii) 3,65,83,258 Equity Shares and 21,97,092 Fully Compulsorily Convertible Debentures of Rs. 100/- each held by AAPC India Hotel Management Private Limited, to Chalet Hotels Limited, subject to the terms and conditions as contained therein.

In terms of the Share Purchase Agreement, the consideration for the Equity Shares and Fully Compulsorily Convertible Debentures was paid and the transfer in the depository records was completed between Belaire Holdings Limited, AAPC India Hotel Management Private Limited and Chalet Hotels Limited on February 3, 2020. Your Company has on the receipt of acknowledgement from Reserve Bank of India on February 5, 2020, of having taken the same on record, has recorded the transfer in your Company records on February 5, 2020. Your Company is accordingly a wholly owned subsidiary of Chalet Hotels Limited.

10. Deemed Public Company:

Chalet Hotels Limited is a public listed company and therefore, under the provisions of Section 2(71) of the Companies Act, 2013 our Company, being a subsidiary of a public company, become a deemed public company and a wholly owned subsidiary of Chalet Hotels Ltd.

11. Alteration of Articles of Association of your Company:

In terms of the Share Purchase Agreement dated January 17, 2020 and pursuant to the approval granted at the Extra Ordinary General Meeting of the Equity Shareholders of the Company held on February 5, 2020, the Articles of Association of our Company were amended by adopting Table F of the Companies Act, 2013 and the necessary filings with the Registrar of Companies has been completed.

11. Shifting of Registered Office of your Company:

Your Company changed its Registered Office to 4th Floor, Raheja Tower, Plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (East), Mumbai 400051, w.e.f. March 6, 2020.

12. Subsidiary(ies) / Associate Companies:

Your Company has no Subsidiary Company. Your Company has no Associate Company within the meaning of section 2(6) of the Companies Act, 2013.

13. Loans from Directors:

During the year under review, your Company has not borrowed any amount from its Directors.

14. Board of Directors:

During the course of the year under review, Mr. Peter Olden (DIN 03279943) and Mr. Rajat Roy (DIN 03232378) resigned from the Board of Directors with effect from February 3, 2020 and have consequently ceased to be Directors of the Company.

The Board places on record its appreciation for the valuable guidance and assistance received from these Directors during their respective tenures.

The Board of Directors, at their meeting held on the February 3, 2020, have appointed (i) Mr. Sanjay Sethi (DIN 00641243) and (ii) Ms. Karuna Nasta (DIN 08627149) as Additional Directors of the Company, with effect from the said date, term of their office being upto the date of this Annual General Meeting, in accordance with the applicable provisions of the Articles of Association and the Companies Act, 2013. The Company is pleased to nominate them for appointment as directors, liable to retire by rotation. The approval of the members for their appointment has been sought in the Notice convening the Annual General Meeting of the Company.

Mr. Rajeev Newar (DIN 00468125) was appointed as Additional Director of the Company at a meeting of the Board of Directors held on February 3, 2020, term of his office being upto the date of this Annual General Meeting. Mr. Rajeev Newar has for personal reasons submitted his resignation on June 14, 2020 as Director of your Company effective upon completion of his term as Additional Director of your Company (i.e. August 11, 2020). Mr. Rajeev Newar has accordingly decided not to offer himself for re-appointment. The Board of Directors has accordingly decided not to recommend his appointment as Director of the Company at the ensuing Annual General Meeting of the Company.

The Board of Directors at their meeting held on March 3, 2013 has appointed Mr. Rajib Dattaray, who was appointed as Additional Director of the Company with effect from October 28, 2014 and his appointment confirmed by members in the Annual General Meeting held on September 29, 2015, as Wholetime Director & CFO of the Company with effect from April 1, 2020 for a period of 3 years. The approval of the members for his appointment has been sought in the Notice convening the Annual General Meeting of the Company.

The provisions of Section 149(4) of the Companies Act, 2013 for having an Independent Director on the Board of Directors do not apply to your Company. Consequently, the requirement under Section 134(3)(d) of the Companies Act, 2013 with respect to furnishing a statement on declaration given by Independent Director(s) do not apply to the Company.

At the end of the Financial Year March 31, 2020, the Board of Directors comprised of three Non-Executive Directors and one Executive Director, including a Women Director.

15. Committees:

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, an unlisted public company which is a wholly owned subsidiary is exempted from constituting an Audit Committee. Therefore, upon becoming a wholly owned subsidiary of Chalet Hotels Limited, the Audit Committee stood dissolved from February 3, 2020.

Pursuant to Section 178 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, an unlisted public company which is a wholly owned subsidiary is exempted from constitution a Nomination & Remuneration Committee. Therefore, upon becoming a wholly owned subsidiary of Chalet Hotels Limited, the Nomination and Remuneration Committee stood dissolved from February 3, 2020.

Further, with effect from April 1, 2020 your Company has adopted the policies/ codes of conduct (as amended from time to time) applicable to the employees of Chalet Hotels Limited (i.e. Holding Company) as the human resources policies of the Company.

16. Vigil Mechanism:

As per the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, your Company at its meeting of Board of Directors held on March 6, 2020 adopted a revised Whistle Blower Policy in order to resolve genuine concerns expressed by the employees and directors. Further, upon the dissolution of the Audit Committee, Ms. Karuna Nasta, Director of the Company, was nominated by the Board of Directors at their meeting held on February 3, 2020 to play the role of Audit Committee for the purpose of vigil mechanism.

17. Board Evaluation:

As your Company has become a deemed public company with effect from February 5, 2020, the provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 for having formal self-annual evaluation by the Board of Directors had

become applicable to the Company. As there had been a complete change in the directorships of the company on February 3, 2020, no evaluation of the directors could be conducted for the Financial year 2019-20. The self-annual evaluation of the directors will be carried out for the next Financial Year 2020-21.

18. Number of Board Meetings:

Periodically, in pursuance of provisions of the Companies Act, 2013, the Board of Directors meet and carried on the management of the Company.

The Board of Directors duly met 12 times on May 24, 2019, August 23, 2019, September 28, 2019, December 13, 2019, January 17, 2020, January 30, 2020, February 3, 2020 (8.30 p.m.), February 3, 2020 (9.00 p.m.), February 5, 2020, March 3, 2020, March 6, 2020 and March 31, 2020 during the year ended March 31, 2020.

Details of attendance of Directors in the Board Meetings for the year ended March 31, 2020 are as follows:

Sr. No.	Date of Board Meeting	Mr. Peter Olden	Mr. Rajat Roy	Mr. Rajib Dattaray	Mr. Sanjay Sethi*	Mr. Rajeev Newar*	Ms. Karuna Nasta*
1.	May 24, 2019	Absent	Present	Present	N.A	N.A	N.A
2.	August 23, 2019	Absent	Present	Present	N.A	N.A	N.A
3.	September 28, 2019	Absent	Present	Present	N.A	N.A	N.A
4.	December 13, 2019	Present	Present	Present	N.A	N.A	N.A
5.	January 17, 2020	Absent	Present	Present	N.A	N.A	N.A
6.	January 30, 2020	Present	Present	Present	N.A	N.A	N.A
7.	February 3, 2020 (8.30 p.m.)	Absent	Present	Present	Present	Present	Present
8.	February 3, 2020 (9.00 p.m.)	N.A	N.A	Present	Present	Present	Present
9.	February 5, 2020	N.A	N.A	Present	Present	Present	Present
10.	March 3, 2020	N.A	N.A	Present	Present	Present	Present
11.	March 6, 2020	N.A	N.A	Present	Present	Present	Present
12.	March 31, 2020	N.A	N.A	Present	Present	Present	Present

*Mr. Sanjay Sethi, Mr. Rajeev Newar, Ms. Karuna Nasta, Mr. Rajib Dattaray has been appointed as directors with effect from February 3, 2020.

19. Directors' Responsibility Statements:

In accordance with the provisions of Section 134(3)(c) and 134(5) of the Companies Act 2013, the Board of Directors, best to its ability and knowledge, confirm that:

- (a) in the preparation of the annual accounts for the Financial Year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the board of directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the board of directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Financial Statements for the Financial Year ended March 31, 2020 have been on a going concern basis; and

- (e) the board of directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Key Managerial Personnel:

During the year, Mr. Sivakumar Sundaram ceased to be the Company Secretary of your Company with effect from March 19, 2020.

The Board places on record its appreciation for his services during her tenure with the Company.

Ms. Anshu Shroff, ACS 17803 has been appointed as the Company Secretary of your Company, with effect from April 1, 2020, to fill up the casual vacancy caused due to resignation of Mr. Sivakumar Sundaram.

21. Risk Management Policy:

Your Company recognizes that risk is an integral part of any business and the Board of Directors are committed to managing the risks in a proactive and efficient manner. Hence, the Board of Directors at its meeting held on May 22, 2020 adopted a revised Risk Management Policy laying down clear guidelines for assessing various risks and steps that would be taken for mitigating the risks.

22. Auditors:

a) Statutory Auditor:

The Members of the Company at the Annual General Meeting that was held on July 26, 2017 had appointed M/s. S R B C & Co. LLP, Chartered Accountants as Statutory Auditor for a period of 5 years. In terms of amendment to Section 139 of the Companies Act, 2013 such appointment is valid upto the conclusion of fifth Annual General Meeting from the date of their appointment i.e. upto Financial Year 2021-2022. Accordingly, M/s. S R B C & Co. LLP will continue as the Statutory Auditors for the financial year 2020-21.

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark. However, the Auditors have drawn an emphasis to the following matter as under:

COVID-19

Attention is drawn to Note 28 to the Ind AS Financial Statements which explains the uncertainties and the management assessment of the financial performance due to COVID -19 pandemic situation, for which a definite assessment of the impact in the subsequent period is highly dependent on circumstances as they evolve.

The Notes referred therein are self-explanatory in the opinion of the Board.

b) Cost Auditor:

The provisions of Section 148 of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 do not apply to your Company. Accordingly, the Company has not appointed the Cost Auditor.

c) Secretarial Auditor:

With effect from February 5, 2020 the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were applicable to your Company. Accordingly, M/s. BNP and Associates, Company Secretaries has been appointed as the Secretarial Auditor to carry out secretarial audit for the Financial Year 2019-20 and will continue for the next Financial Year 2020-21.

The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

d) **Internal Auditor:**

In terms of the provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, the Company at the meeting of the Board of Directors on March 3, 2020 had appointed M/s M P G & Associates LLP, Chartered Accountant (Registration No W100199) as Internal Auditor of your Company for the year under reference.

M/s.PricewaterhouseCoopers Private Limited has been appointed at the meeting of the Board of Directors held on June 18, 2020 to carry out the internal audit of your Company for the Financial Year 2020-21.

23. **Cost Audit:**

The provisions of Section 148 of the Companies Act, 2013 is not applicable to your Company hence, the Company has not maintained cost records.

24. **Particulars of Loan(s), Guarantee(s) or Investment(s) made under Section 186 of the Companies Act, 2013:**

During the year, your Company had no financial transaction falling under provisions of Section 186 of the Companies Act, 2013.

25. **Internal financial controls with reference to the Financial Statements:**

On the basis of internal financial control framework and compliance systems in place and the work carried out by the Internal and Statutory Auditors, including audit of internal financial controls over financial reporting and internal reviews performed by the Management, the Board is of the opinion that your Company's internal financial controls were reasonable and adequate for the Financial Year 2019-20.

26. **Significant / Material orders passed by the regulatory etc.:**

During the year, there was no significant / material order passed by any regulator, court or tribunal on our Company impacting the going concern status and Company's operations in future.

27. **Annual Return:**

Section 92(3) of the Companies Act, 2013 provides that every company is required to place a copy of the annual return on the website of the company, if any, and the web-link of such annual return to be disclosed in the Board's report. As your Company does not have any website, extract of the Annual Return is furnished in Annexure 1 to this Report.

28. **Particulars of contracts or arrangements made with related parties:**

The particulars of contracts or arrangements made with the related party during the year are furnished in **Annexure 2** to this Report in the Form AOC – 2 pursuant to section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

29. **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

The information with respect to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo, the disclosure of which being needed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are furnished in Annexure 3 to this Report.

30. **Disclosure relating to remuneration:**

The information in pursuance of Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are furnished in Annexure 4 to this Report.

31. **Corporate Social Responsibility:**

In absence of applicability of provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, your Company has not constituted a Corporate Social Responsibility Committee nor has spent any amount for causes referred therein.

32. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Corporate Office: In absence of applicability of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 at the Corporate Office, the Company has not constituted the Internal Complaints Committee.
- b. Novotel Pune Viman Nagar Hotel: The Company has always been committed to provide a safe and dignified work environment for its employees, which is free of discrimination, intimidation and abuse. The prevailing policy for Prevention of Sexual Harassment of the hotel operator viz. AAPC India Management Private Limited has been adopted at the Hotel. During the year under review, the Company has not received any complaint of sexual harassment.

33. Secretarial Standard:

Your Company has complied with Secretarial Standard 1 and Secretarial Standard 2 relating to Board and General Meetings issued by the Institute of Company Secretaries of India.

Acknowledgement and appreciation:

Your Directors acknowledge and place on record their gratitude and sincere thanks to employees, bankers, business associates, consultants and all internal and external stakeholders; for their continued support extended to the Company during the year.

For and on behalf of the Board of Directors

Sd/-

KARUNA NASTA

Director

(Din-08627149)

4th Floor, Raheja Towers, Plot C, Block G, Next to
Bank of Baroda, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.

Sd/-

RAJIB DATTARAY

Director

(Din-06704770)

4th Floor, Raheja Towers, Plot C, Block G, Next to
Bank of Baroda, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.

Place: Mumbai

Date: June 18, 2020

Annexure 1
Form MGT 9

Extract of Annual Return as on the financial year ended on March 31, 2019[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:

U55101MH2007PTC170789

(ii) Registration Date:

1	4	0	5	2	0	0	7
Date		Month		Year			

(iii) Name of the Company:

BELAIRE HOTELS PRIVATE LIMITED

(iv) Category of the Company: [Pl. tick]

1.	Public Company	-
2.	Private Company	✓

Sub Category of the Company: [Please tick whichever are applicable]

1.	Government Company	-
2.	Small Company	-
3.	One Person Company	-
4.	Subsidiary of Foreign Company	-
5.	NBFC	-
6.	Guarantee Company	-
7.	Limited by shares	✓
8.	Unlimited Company	-
9.	Company having share capital	-
10.	Company not having share capital	-
11.	Company Registered under Section 8	-

(v) Address of the Registered Office and contact details:

Address:	4 th Floor, Raheja Tower, Plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (East), Mumbai 400051 (With effect from March 6, 2020)
Contact No.:	+91-22-26564000

(vi) Whether shares listed on recognized Stock Exchange(s): ~~Yes~~ / No

If 'Yes', the details of Stock Exchanges, where the shares are listed.

Sr. No.	Stock Exchange Name	Code
1.	-	-

(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any.

Name:	Bigshare Services Private Limited
Address:	1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,

c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s).	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIS	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):									
II Non-Institutions									
(a) Bodies Corp.									
• Indian	--	--	--	--	--	--	--	--	--
• Overseas	--	--	--	--	--	--	--	--	--
(b) Individuals									
• Individual shareholders holding nominal share capital upto Rs. 1 lakh.	--	--	--	--	--	--	--	--	--
• Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	--	--	--	--	--	--	--	--	--
c) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):	--	--	--	--	--	--	--	--	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	--	--	--	--	--	--	--	--	--
C. Share held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	117,704,838	--	117,704,838	100	140,704,838	--	140,704,838	100	--

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Belaire Holdings Ltd.	87,101,580	74	26.42	--	--	--	
2.	AAPC India Hotel Management Pvt. Ltd.	30,603,258	26	14.70	--	--	--	
3.	Chalet Hotels Limited				140,704,837	100	29.99	
4.	Chalet Hotels Ltd. jointly with Mr. Neel Chandru Raheja				1	Negligible		
	Total...	117,704,838	100		140,704,838	100		--

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

Sl. No.	Shareholder's Name	Shareholding			Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		Shareholding at the beginning of the year	% of total shares of the Co.	Date of change			No. of shares	% of total shares of the Company
1.	Belaire Holdings Ltd.	87,101,580	74	08.05.2019	5,180,000	Allotment	92,281,580	74
				07.08.2019	5,550,000	Allotment	97,831,580	74
				08.11.2019	6,290,000	Allotment	104,121,580	74
				05.02.2020				

Sl. No.	Shareholder's Name	Shareholding			Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		Shareholding at the beginning of the year	% of total shares of the Co.	Date of change			No. of shares	% of total shares of the Company
					(104,121,580)	Sale	-	-
2.	AAPC India Hotel Management Pvt. Ltd.	30,603,258	26	08.05.2019 07.08.2019 08.11.2019 05.02.2020	1,820,000 1,950,000 2,210,000 (36,583,258)	Allotment Allotment Allotment Sale	32,423,258 34,373,258 36,583,258 -	26 26 26 -
3.	Chalet Hotels Limited	--	--	05.02.2020	140,704,837	Purchase	140,704,837	100
4.	Chalet Hotels Ltd. jointly with Mr. Neel Chandru Raheja	--	--	05.02.2020	1	Purchase	1	Negligible

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

Sl. No.	Shareholder's Name	Shareholding			Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (April 1, 2019) / end of the year (March 31, 2020)	% of total shares of the Company	Date of change			No. of shares	% of total shares of the Company
1.	NA	--	--	--	--	--	--	--

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Director's / Key Managerial Personnel Name	Shareholding			Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (April 1, 2019) / end of the year (March 31, 2020)	% of total shares of the Company	Date of change			No. of shares	% of total shares of the Company
1.	NA	--	--	--	--	--	--	--

V. INDEBTEDNESS

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

(In Million Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year.				
i. Principal Amount				
a. Long Term	1,052.12	575.50	-	1,627.62
b. Current maturity of long term Borrowings	252.29	-	-	252.29
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	6.56	-	-	6.56
Total (i+ ii + iii)	1,310.97	575.50	-	1,886.47
Change in Indebtedness during the financial year.				
Adjustment for exchange rate difference	(107.08)	-	-	(107.08)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Reduction	270.57	(85.80)	-	184.77
Net Change	163.49	(85.80)	-	77.69
Indebtedness at the end of the financial year.				
i. Principal Amount				
a. Long Term	866.87	661.30	-	1,528.17
b. Current maturity of long term Borrowings	276.28	-	-	276.28
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	4.33	-	-	4.33
Total (i + ii+ iii)	1,147.48	661.30	-	1,808.78

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. no.	Particulars of Remuneration	Names of MD/WTD/ Manager	Total Amount
		Mr. Rajib Dattaray	
1	Gross salary.	(In Million Rs.)	(In Million Rs.)
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	7.17	7.17
	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.	-	-
	- others, specify.	-	-
5	Others - Employer contribution to provident fund	0.19	0.19
6	Total (A)	7.36	7.36
7	Ceiling as per the Companies Act, 2013		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Names of Directors				Total Amount
		-	-	-	-	
		Rs.	Rs.	Rs.	Rs.	Rs.
1.	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify.	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
3.	Total Managerial Remuneration (Total A+B)	-	-	-	-	-
4.	Overall Ceiling as per the Companies Act, 2013	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD.

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO (In Million Rs.)	CS (In Million Rs.)	CFO (In Million Rs.)	Total (In Million Rs.)
1.		-	Sivakumar Sundaram	-	
2.	Gross salary	-	-	-	-
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	2.75	-	2.75
	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.	-	-	-	-
3.	Stock Option	-	-	-	-
4.	Sweat Equity	-	-	-	-
5.	Commission	-	-	-	-
	a) as % of profit	-	-	-	-
	b) others, specify...	-	-	-	-
6.	Others, Employer contribution to provident fund	-	0.09	-	0.09
	Total		2.84		2.84

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-

KARUNA NASTA

Director

(Din-08627149)

4th Floor, Raheja Towers, Plot C, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

Place: Mumbai

Date: June 18, 2020

Sd/-

RAJIB DATTARAY

Director

Din-06704770

Raheja Tower, 4th Floor, Plot C, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Annexure 2

Form AOC 2

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

[Pursuant to clause (h) of sub-section (3) of section of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules 2014.]

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship.	NA
(b) Nature of contracts/arrangements/transactions.	NA
(c) Duration of the contracts / arrangements/transactions.	NA
(d) Salient terms of the contracts or arrangements or transactions including the value, if any.	NA
(e) Justification for entering into such contracts or arrangements or transactions.	NA
(f) Date(s) of approval by the Board.	NA
(g) Amount paid as advances, if any.	NA
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	NA

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

(a) Name(s) of the related party and nature of relationship.	AAPC India Hotel Management Pvt. Ltd., Shareholder (26%).																						
(b) Nature of contracts/arrangements/transactions.	Hotel Management Fees and other related fees of Novotel Hotel, Pune.																						
(c) Duration of the contracts / arrangements/transactions.	Operating term is for a period of 25 years subject to options for renewal or earlier termination as provided in Hotel Management Agreement.																						
(d) Salient terms of the contracts or arrangements or transactions including the value, if any.	Payment for various services in connection with management of Novotel Hotel, Pune.																						
(e) Date(s) of approval by the Board.	A. 24.05.2019 B. 23.08.2019 C. 28.09.2019 D. 13.12.2019																						
(f) Amount of payment including paid as advances, if any.	<table border="1" style="width: 100%;"><thead><tr><th style="text-align: left;"><u>Amount</u></th><th style="text-align: left;"><u>Date of Payment</u></th></tr><tr><th style="text-align: left;"><u>Date</u></th><th style="text-align: left;"><u>Amount INR</u></th></tr></thead><tbody><tr><td>24-04-2019</td><td>30,52,064.40</td></tr><tr><td>13-06-2019</td><td>25,61,038.80</td></tr><tr><td>19-07-2019</td><td>50,00,000.00</td></tr><tr><td>23-07-2019</td><td>25,61,733.50</td></tr><tr><td>17-09-2019</td><td>37,16,971.00</td></tr><tr><td>28-09-2019</td><td>19,53,068.66</td></tr><tr><td>31-10-2019</td><td>32,96,707.00</td></tr><tr><td>15-11-2019</td><td>69,12,349.70</td></tr><tr><td>11-01-2020</td><td>24,88,151.98</td></tr></tbody></table>	<u>Amount</u>	<u>Date of Payment</u>	<u>Date</u>	<u>Amount INR</u>	24-04-2019	30,52,064.40	13-06-2019	25,61,038.80	19-07-2019	50,00,000.00	23-07-2019	25,61,733.50	17-09-2019	37,16,971.00	28-09-2019	19,53,068.66	31-10-2019	32,96,707.00	15-11-2019	69,12,349.70	11-01-2020	24,88,151.98
<u>Amount</u>	<u>Date of Payment</u>																						
<u>Date</u>	<u>Amount INR</u>																						
24-04-2019	30,52,064.40																						
13-06-2019	25,61,038.80																						
19-07-2019	50,00,000.00																						
23-07-2019	25,61,733.50																						
17-09-2019	37,16,971.00																						
28-09-2019	19,53,068.66																						
31-10-2019	32,96,707.00																						
15-11-2019	69,12,349.70																						
11-01-2020	24,88,151.98																						

(a) Name(s) of the related party and nature of relationship.	Chalet Hotels Limited, Holding Company
(b) Nature of contracts/arrangements/transactions.	Availing of Inter Corporate Deposit
(c) Duration of the contracts / arrangements/transactions.	0% interest and payable on demand.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any.	For repayment of Inter Corporate Deposit availed from Seapearl Hotels Private Limited
(e) Date(s) of approval by the Board.	February 3, 2020
(f) Amount of payment including paid as advances, if any.	Rs. 1000 Million

For and on behalf of The Board of Directors

Sd/-

KARUNA NASTA

Director

(Din-08627149)

4th Floor, Raheja Towers, Plot C, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

Place: Mumbai

Date: June 18, 2020

Sd/-

RAJIB DATTA

Director

Din-06704770

Raheja Tower, 4th Floor, Plot C, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Annexure 3

The information about conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows in pursuant to section 134(3)(m) of the Companies Act, 2013.

(A) Conservation of energy:

(i) the steps taken or impact on conservation of energy;	<ol style="list-style-type: none"> 1. Installation of timers for lighting and other equipment's 2. BMS controls for HVAC, usage of daylight in public areas 3. Installation of occupancy sensors 3. Water aerators to control water flow in all taps and showerheads 4. Sensor control for wash basin and urinals 5. Using LED lighting, Key tag control for guestrooms 6. HVAC equipment monthly PPM 7. Chilled water recovery through chiller acting as heat pumps 8. Heat Recovery wheel operation for TFA and exhaust for guestrooms 9. PPM of refrigerators freezer and split ac units monthly 10. Runs full load for laundry equipment's 11. Correct steam trapping and timely servicing 12. Steam condensate recovery to preheat the boiler feed tank 13. Public area Air-conditioning set at 24 DC temperature
(ii) the steps taken by the company for utilizing alternate sources of energy;	<ol style="list-style-type: none"> 1. 70-80% of the electricity consumption by the Hotel is through wind and solar power, procured through Open access. 2. In kitchen - it has been decided to switch to Liquefied Petroleum Gas system instead of existing gas cylinders. The work is under progress. 3. With respect to fuel for boiler, it has been decided to switch from High Speed Diesel to Piped Natural Gas.
(iii) the capital investment on energy conservation equipments	The conversion to Piped Natural Gas requires an investment of approx. INR. 3 Million.

(B) Technology absorption:

(i) the efforts made towards technology absorption;	NA
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(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	NA
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year); 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.	NA
(iv) the expenditure incurred on Research and Development.	NA

(C) Foreign exchange earnings and outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Foreign Exchange Earning:	INR 78.77 Millions
Foreign Exchange Outgo:	INR 93.05 Millions

For and on behalf of the Board of Directors

Sd/-

KARUNA NASTA

Director

(Din-08627149)

4th Floor, Raheja Towers, Plot C, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

Sd/-

RAJIB DATTA RAY

Director

Din-06704770

Raheja Tower, 4th Floor, Plot C, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Place: Mumbai

Date: June 18, 2020

Annexure 4

Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel (Rules), 2014.

1. List of Top 10 Employees of the Company in terms of Remunerations drawn during the Financial Year 2019-20:

Sr. No.	Name of Employees	Designation	Remuneration	Qualification	Experience	Joining Date	Age (Years)	Last Employment
					(Years)			
1	Rajib Dattaray	Director	4,200,600	Diploma in HM	28	December 1, 2015	53	Blue Ridge Hotels Pvt Ltd
2	Aditya Vikram	Director of Finance	2,214,324	Graduate + CA	8	April 23, 2018	34	Westin Mumbai
3	Varun Marwah	Director of Sales & Marketing	2,150,004	Graduate In HM	16	June 17, 2019	37	IBIS Pune Viman Nagar & Hinjewadi
4	Trupti Mishra	Director of Rooms	1,643,004	Post Graduation - PGDBA	19	August 6, 2018	42	Novotel Imagica Khopoli
5	Anil Chabukswar	Executive Chef	1,400,004	Graduation - Commerce	16	August 12, 2019	44	Grand Mercure Mysuru
6	Koumaal Kapoor	Revenue Manager	1,365,000	Graduate - HM & Tourism Study	11	December 14, 2017	35	Revmutu
7	Awadesh Kumar Jha	Food & Beverage Manager	1,284,996	Bsc. Hospitality & Hotel Administration	12	September 19, 2019	33	Novotel Guwahati
8	Dinesh Babu	Executive House Keeper	1,201,212	Diploma in HM + BBA	15.5	January 20, 2020	34	The Lalit Ashok Bangalore
9	Roopal Tiwari	Talent & Culture Manager	1,144,500	Post Graduation - HR	7	July 16, 2018	32	IBIS Pune Hinjewadi
10	Ankur Sharma	Chief Engineer	1,100,016	Diploma In Electrical Eng	20	October 14, 2019	43	Novotel Lucknow
11	Sunny Jathan	Security Manager	1,050,000	BA in Philosophy	16	June 17, 2019	37	Courtyad Mariott Hinjewadi

2. List of employees of the Company employed throughout the financial year 2019-20 and were paid remuneration not less than Rs. 1,02,00,000 per annum:

Name	Designation	Remuneration	Qualification	Experience (Years)	Joining Date	Age (Years)	Last Employment
NIL							

3. List of employees of the Company employed for the part of the year and were paid remuneration during the financial year 2019-20 at a rate which in aggregate was not less than Rs. 8,50,000 per month:

Name	Designation	Remuneration	Qualification	Experience (Years)	Joining Date	Age (Years)	Last Employment
NIL							

Notes:

1. None of the employees mentioned above is related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. None of the employees mentioned above holds more than 2 % of the shares of your Company along with their spouse and dependent children.
3. All employments are contractual and terminable by notice on either side.
4. Remuneration includes salary, bonus, commissions, various allowance, contribution to Provident Fund and taxable value of perquisites but excludes provision for gratuity and leave encashment.

For And On Behalf Of The Board of Directors

Sd/-

KARUNA NASTA

Director

(Din-08627149)

4th Floor, Raheja Towers, Plot C, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

Sd/-

RAJIB DATTARAY

Director

Din-06704770

Raheja Tower, 4th Floor, Plot C, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Place: Mumbai

Date: June 18, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Belaire Hotels Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Belaire Hotels Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of Matter – COVID-19

We draw attention to Note 28 to the Ind AS Financial Statements which explains the uncertainties and the management assessment of the financial performance due to COVID -19 pandemic situation, for which a definite assessment of the impact in the subsequent period is highly dependent on circumstances as they evolve.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the Ind AS financial statements and our auditor's report thereon.

Audit report on financial statements for the year ended March 31, 2020

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

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

Responsibilities of Management 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those 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, 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,

Audit report on financial statements for the year ended March 31, 2020

misrepresentations, or the override of internal control.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

Audit report on financial statements for the year ended March 31, 2020

- (e) The matter described in Emphasis of Matter – COVID 19 paragraph above in our opinion may have adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Vijay Maniar
Partner
Membership Number: 36738
UDIN: 20036738AAAADC2175
Place of Signature: Mumbai
Date: June 18, 2020

Belaire Hotels Private Limited

Audit report on financial statements for the year ended March 31, 2020

“Annexure 1” to Independent Auditor’s Report

Belaire Hotels Private Limited (“the Company”)

With reference to the “Annexure 1” referred in the Independent Auditor’s report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2020 we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment’s are held in the name of the company.
- ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of sections 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the products or services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, duty of custom, duty of excise, sales tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

Audit report on financial statements for the year ended March 31, 2020

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Vijay Maniar
Partner
Membership Number: 36738
UDIN: 20036738AAAADC2175
Place of Signature: Mumbai
Date: June 18, 2020

Audit report on financial statements for the year ended March 31, 2020

Annexure 2 to the Independent Auditor's report of even date on the financial statements of Belaire Hotels Private Limited

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

We have audited the internal financial controls over financial reporting of Belaire Hotels Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Vijay Maniar
Partner
Membership Number: 36738
UDIN: 20036738AAAADC2175
Place of Signature: Mumbai
Date: June 18, 2020

BELAIRE HOTELS PRIVATE LIMITED

Balance Sheet as at March 31, 2020

Particulars	Note No.	As at	As at
		March 31, 2020	March 31, 2019
		(` in Millions)	(` in Millions)
ASSETS			
1 Non-Current Assets			
a) Property, plant and equipment	4	2,906.51	2,897.37
b) Intangible assets	5	1.46	0.28
c) Financial assets			
i) Other financial assets	6	25.42	27.78
d) Advance income tax (net)		24.29	24.25
e) Other non-current assets	7	0.96	3.10
		2,958.64	2,952.78
2 Current assets			
a) Inventories	8	3.51	4.59
b) Financial assets:			
i) Trade receivables	9	23.24	19.00
ii) Cash and cash equivalents	10	9.99	18.09
iii) Bank balances other than (ii) above	10	0.96	21.05
iv) Others financial assets	6	6.95	8.17
c) Other current assets	7	17.21	13.15
		61.86	84.05
Total		3,020.50	3,036.83
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	11	1,407.05	1,177.05
b) Other equity	12	(254.10)	(82.40)
		1,152.95	1,094.65
LIABILITIES			
1 Non-Current Liabilities			
a) Financial liabilities:			
Borrowings	13	866.87	1,052.12
b) Provisions	14	2.82	2.74
		869.69	1,054.86
2 Current Liabilities			
a) Financial liabilities:			
i) Borrowings	13	661.30	575.50
ii) Trade payables	15		
- Total outstanding dues to micro enterprises and small enterprises		0.57	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		42.57	34.55
iii) Other current financial liabilities	16	281.11	259.35
b) Provisions	14	0.29	0.30
c) Other current liabilities	17	12.02	17.62
		997.86	887.32
		1,867.55	1,942.18
Total		3,020.50	3,036.83
Significant Accounting Policies	2		

The accompanying notes (1 - 37) are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors

Sd\
per **Vijay Maniar**
Partner
Membership No.: 36738
Place: Mumbai
Date: 18.06.2020

Sd\
Karuna Nasta
Director
DIN: 08627149

Sd\
Raiib Dattarav
Executive Director & CFO
DIN: 06704770

Sd\
Anshu Shroff
Company Secretary
Membership No. ACS17803
Place: Mumbai
Date: 18.06.2000

BELAIRE HOTELS PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

Particulars		Note No.	For the year ended	For the year ended
			March 31, 2020	March 31, 2019
			(` in Millions)	(` in Millions)
	Income			
I	Revenue from operations	18	388.32	429.60
II	Other income	19	7.98	8.74
III	Total Income (I + II)		396.30	438.34
	Expenses			
	Food and beverages consumed	20	37.99	39.06
	Employee benefits expense	21	96.28	93.23
	Finance costs	22	94.48	113.32
	Depreciation and amortisation expense	23	100.09	92.22
	Other expenses	24	239.05	219.34
	Total expenses (IV)		567.89	557.17
V	Loss before tax (III - IV)		(171.59)	(118.83)
	Tax expense			
	Current tax	25	-	-
	Short Provision for Income Tax of earlier years	25	0.03	-
	Deferred tax	25	-	-
			0.03	-
VII	Loss after tax (V - VI)		(171.62)	(118.83)
	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	- Remeasurement loss of the defined benefit plans		(0.08)	0.09
	- Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total other Comprehensive Income for the year		(0.08)	0.09
IX	Total Comprehensive loss for the year (VII + VIII)		(171.70)	(118.74)
	Earning per equity share			
	Basic and diluted earnings per equity share (`)	30	(1.30)	(1.14)
	Significant Accounting Policies	2		

The accompanying notes (1 - 37) are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors

Sd\-

per Vijay Maniar

Partner

Membership No.: 36738

Place: Mumbai

Date: 18.06.2020

Sd\-

Karuna Nasta

Director

DIN: 08627149

Sd\-

Raiib Dattarav

Executive Director & CFO

DIN: 06704770

Sd\-

Anshu Shroff

Company Secretary

Membership No. ACS17803

Place: Mumbai

Date: 18.06.2000

BELAIRE HOTELS PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
I. Cash flows from operating activities		
Loss before tax	(171.59)	(118.83)
Adjustments for:		
Interest Expense	85.90	104.05
Amortization of Processing Fees (included in interest cost)	8.01	9.00
Depreciation and amortization expense	100.09	92.22
Interest income	(3.71)	(4.28)
Loss on discard of Property Plant and Equipment	-	5.68
Credit Balances writtten back	-	(0.75)
	190.29	205.92
Operating Profit before working capital changes	18.70	87.09
Adjustments for:		
Decrease/(Increase) in Inventories	1.1	(0.52)
Decrease/(Increase) in Receivables and other assets	1.9	(4.18)
(Decrease)/Increase in Provisions	(0.01)	0.80
(Decrease)/Increase in Trade and other payables	2.99	(7.44)
	5.91	(11.34)
Cash from operations	24.61	75.75
Taxes paid (net of refund)	(8.74)	(9.23)
Net cash from operating activities	15.87	66.52
II. Cash flows from investing activities		
Purchase of fixed assets (Including Capital Advance)	(6.68)	(20.91)
Fixed deposits and margin money matured (not considered as Cash and cash equivalents)	21.64	5.46
Interest received on Fixed & security Deposits	3.97	3.40
Net cash generated from / (used in) investing activities	18.93	(12.05)
III. Cash flows from financing activities		
Repayment of Term Loans	(270.57)	(255.98)
Interest Paid on Term Loans	(88.13)	(104.01)
ICD from Chalet Hotels Ltd	661.30	-
Repayment of ICD from Seapearl Hotels Pvt Ltd	(575.50)	-
Increase in Share Capital	230.00	280.00
Net cash used in from financing activities	(42.90)	(79.99)
Net Decrease in cash and cash equivalents	(8.10)	(25.52)
Cash and cash equivalents at the beginning of the year	18.09	43.61
Cash and cash equivalents at the end of year	9.99	18.09
Net Decrease in cash and cash equivalents	(8.10)	(25.52)

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- The movement of borrowings as per Ind AS 7 is as follows :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
Opening borrowings	1,879.91	2,020.17
Repayment of long-term borrowings	(270.57)	(255.98)
Repayment of unsecured loan from related party	(575.50)	-
Proceeds of unsecured loan from related party	661.30	-
Non-cash adjustments	109.31	115.72
	1,804.45	1,879.91

The accompanying notes (1 - 37) are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors

Sd\
per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date: 18.06.2020

Sd\
Karuna Nasta
Director
DIN: 08627149

Sd\
Rajib Dattarav
Executive Director & CFO
DIN: 06704770

Sd\
Anshu Shroff
Company Secretary
Membership No. ACS17803
Place: Mumbai
Date: 18.06.2000

BELAIRE HOTELS PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital

Particulars	No. of Shares	Amount
		(` in Millions)
Balance as on April 1, 2018	8,97,04,838	897.05
Changes in equity share capital during the year		
- Shares issued during the year	2,80,00,000	280.00
Balance as at March 31, 2019	11,77,04,838	1,177.05
Changes in equity share capital during the year		
- Shares issued during the year	2,30,00,000	230.00
Balance as at March 31, 2020	14,07,04,838	1,407.05

B) Other equity

Particulars	Equity component of Fully Compulsorily Convertible Debentures (FCCD)	Reserves and surplus Retained earnings	Total
	(` in Millions)	(` in Millions)	(` in Millions)
Balance as on April 1, 2018	845.04	(808.70)	36.34
Loss for the year	-	(118.83)	(118.83)
Other comprehensive income for the year, net of income tax	-	0.09	0.09
Balance as at March 31, 2019	845.04	(927.44)	(82.40)
Loss for the year	-	(171.62)	(171.62)
Other comprehensive income for the year, net of income tax	-	(0.08)	(0.08)
Balance as at March 31, 2020	845.04	(1,099.14)	(254.10)

The accompanying notes (1 - 37) are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors

Sd\
per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date: 18.06.2020

Sd\
Karuna Nasta
Director
DIN: 08627149

Sd\
Raiib Dattarav
Executive Director & CFO
DIN: 06704770

Sd\
Anshu Shroff
Company Secretary
Membership No. ACS17803
Place: Mumbai
Date: 18.06.2020

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 Corporate Information

Belaire Hotels Private Limited ('the Company') is a private limited company which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on 14 January 2007. The entire shareholding of the Company was taken over by Chalet Hotels Limited on February 3, 2020 and accordingly, the Company has become wholly owned subsidiary of Chalet Hotels w.e.f. February 3, 2020 on the basis of control. The SMF Acknowledgment from the Reserve Bank of India was subsequently received on February 5, 2020, consequent to which the transfer of shareholding to Chalet Hotels Limited was recorded on February 5, 2020.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 18, 2020.

2 Significant accounting policies

(a) Basis of preparation of Ind AS Financial Statements

The Balance Sheet of the Company as at March 31, 2020 and the Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Statement of Cash flows for the year ended March 31, 2020 and Notes to the Ind AS Financial Statements (together referred as 'Ind AS Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- ▶ Certain financial assets and liabilities that are measured at fair value;
- ▶ Defined benefit plans - plan assets measured at fair value;
- ▶ Non-Current Borrowings

New and amended standards adopted by the Company:

The Company has applied Ind AS 116 'Leases' (Ind AS 116) with a date of initial application of April 1, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at April 1, 2019.

At inception of contract, the Company assesses whether the 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assessed whether:

- the contract involves the use of identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand alone price.

Going Concern Assumption

The company has incurred a loss of ` 171.70 Millions in the current year and ` 118.74 Millions in the previous year, further the company has accumulated losses of ` 1,099.14 Millions as at 31st March 2020 (31st March 2019 : ` 927.44 Millions) against share capital of ` 1,407.05 Millions (31st March 2019 : ` 1,177.05 Millions). The current liabilities of the Company exceeded its current assets as at the balance sheet date.

The entire shareholding of the Company was taken over by Chalet Hotels Limited on February 5, 2020 and accordingly, the Company has become wholly owned subsidiary of Chalet Hotels Limited (Holding Company) w.e.f. February 5, 2020.

The Company has received a support letter from the Holding Company confirming its support for continued operations of the Company to meet its future obligations in the near future. The Company believes that the same will enable the Company to continue as a going concern.

Further, the management of the Company is of the opinion that the current event & condition arisen on account worldwide outbreak of COVID 19 is not going to cast any significant doubt on the Company's ability to continue as a going concern. These financial statements, therefore, do not include any adjustments relating to recoverability and classification of asset and classification of liabilities that may be necessary if the Company was unable to continue as a going concern.

Based on the above, these financial statements have been prepared under a going concern assumption.

The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except where otherwise indicated.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(b) Current versus non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the balance sheet date.

All other liabilities are classified as non-current

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment losses, if any except for freehold land which is not depreciated. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided using the Straight line method (SLM) as per the useful life of the assets estimated by the management.

Depreciation on addition/deletion of Property, plant and equipments made during the year is provided on pro-rata basis from / upto the date of each addition / deletion. The useful lives of assets estimated by management is same as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life is different than that of Schedule II to the Act.

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Operating Furnishing & Supplies	3 Years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets ` 5000/- or less are depreciated at 100% in the year of capitalisation.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Intangible assets comprises of computer software and are measured at cost less any accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation method

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the Statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Intangible assets are amortised on straight-line method over estimated useful life of 3 years, which in management's view represents the economic useful life of these assets.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate prospectively.

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

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(e) Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

i) Right-of-use-assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

ii) Lease Liability

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.

Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost method using the effective interest method. In case of remeasurement of lease liability, corresponding adjustment is made to the carrying amount of right-of-use assets.

The Company lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(f) Inventories

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

(g) Financial Instruments

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

Cash and Cash Equivalents: Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Debt Instruments: The Company classifies its debt instruments as subsequently measured at amortised cost.

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

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

Loans and borrowings: Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Provisions & Contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Provision are discounted using pre tax rate that reflects when appropriate, the risk specific to the liability.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(j) Revenue recognition

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

Effective April 1, 2018 the Company has applied Ind AS 115 which replaces Ind AS 18 revenue recognition.

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognized once the rooms are occupied, food and beverages are sold and banquet services are provided as per the contract with the customer.

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

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Contract balances (effective from April 1, 2018)

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

Lease Rentals: Rentals basically consists of space rental revenue earned from letting of spaces for towers located within the properties. Revenue is recognized in the period in which services are being rendered in accordance with terms of relevant agreement.

Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets net carrying amount on initial recognition.

(k) Employee benefits

Post-employment obligations

Gratuity obligations

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of one year of service in the case of Head office staff at Mumbai and completion of five years of service in the case of Hotel Staff at Pune. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

Compensated Absences

The liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Compensated Absences which are not expected to occur within 12 months of the end of the period in which the employee render the service are recognised at an actuary determined liability as per the present value of the defined benefit obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

Contribution to defined contribution schemes such as Provident Fund, Family Pension Fund, and Employees' State Insurance Scheme are charged to the Statement of Profit and Loss as incurred.

Short term obligations

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

(l) Foreign currency transactions

The functional currency and presentation currency of the Company is Indian Rupee (₹).

Initial Recognition

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

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs are adjusted to the cost of the assets.

Exchange differences on translation or settlement of long term foreign currency monetary items (i.e. whose term of settlement exceeds twelve months from date of its origination) at rates different from those at which they were initially recorded or reported in the previous financial statements, in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets.

(m) Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Current income tax relating to items recognised outside profit or loss are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax:

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 recognised for all taxable temporary differences.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit and loss (either in other comprehensive income or in equity).

(n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) as adjusted for dividend and interest for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(o) Impairment of non-financial assets:

At the end of each reporting period, the Company assesses whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

(p) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations. The Company has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Critical accounting estimates and judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which results are known/materialised.

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

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

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

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management’s expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss.
Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

BELAIRE HOTELS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2020
Note No. 4 - Property, Plant and Equipment
Reconciliation of carrying amount
As at March 31, 2020

(` in Millions)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Opening Balance as at April 1, 2019	Additions	Deductions	Closing Balance as at March 31, 2020	Opening Balance as at April 1, 2019	For the year	Deductions	Closing Balance as at March 31, 2020	As at March 31, 2020
a) Freehold Land	880.97	-	-	880.97	-	-	-	-	880.97
b) Building	1,647.89	67.97	-	1,715.86	82.76	29.96	-	112.72	1,603.14
c) Office Equipment	0.54	0.23	-	0.77	0.24	0.15	-	0.39	0.38
d) Air Conditioners	0.03	-	-	0.03	0.03	-	-	0.03	-
e) Leasehold Assets Improvements	0.31	-	-	0.31	0.16	0.06	-	0.22	0.09
f) Plant and Machinery	464.35	30.48	-	494.83	104.11	39.92	-	144.03	350.80
g) Computer & Server	6.84	0.70	-	7.54	5.18	1.02	-	6.20	1.34
h) Furniture & Fixtures	95.40	5.38	-	100.78	46.18	18.84	-	65.02	35.76
i) Electrical Fittings	58.71	3.46	-	62.17	21.99	8.51	-	30.50	31.67
j) Crockery & Cutlery	-	-	-	-	-	-	-	-	-
k) Operating Furnishing & Supplies	8.67	0.68	-	9.35	5.69	1.30	-	6.99	2.36
Total	3,163.71	108.90	-	3,272.61	266.34	99.76	-	366.10	2,906.51

As at March 31, 2019

(` in Millions)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Opening Balance as at April 1, 2018	Additions	Deductions	Closing Balance as at March 31, 2019	Opening Balance as at April 1, 2018	For the year	Deductions	Closing Balance as at March 31, 2019	As at March 31, 2019
a) Freehold Land	880.97	-	-	880.97	-	-	-	-	880.97
b) Building	1,568.62	79.27	-	1,647.89	54.25	28.51	-	82.76	1,565.13
c) Office Equipment	0.29	0.25	-	0.54	0.14	0.10	-	0.24	0.30
d) Air Conditioners	0.03	-	-	0.03	0.03	-	-	0.03	-
e) Leasehold Assets Improvements	0.31	-	-	0.31	0.10	0.06	-	0.16	0.15
f) Plant and Machinery	438.81	30.05	(4.51)	464.35	67.90	37.17	(0.96)	104.11	360.24
g) Computer & Server	5.62	1.22	-	6.84	4.26	0.92	-	5.18	1.66
h) Furniture & Fixtures	88.21	7.23	(0.04)	95.40	29.47	16.73	(0.02)	46.18	49.22
i) Electrical Fittings	55.25	3.46	-	58.71	14.22	7.77	-	21.99	36.72
j) Crockery & Cutlery	7.53	-	(7.53)	-	6.21	-	(6.21)	-	-
k) Operating Furnishing & Supplies	6.71	2.90	(0.94)	8.67	5.04	0.79	(0.14)	5.69	2.98
Total	3,052.35	124.38	(13.02)	3,163.71	181.62	92.05	(7.33)	266.34	2,897.37

Note:

(i) Refer to Note 27 (ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.

(ii) Refer Note 26 for information on property, plant and equipment pledged as security by the Company.

(iii) Company has capitalized foreign exchange differences of ` 101.30 Millions in the current year (Rs. 106.72 Millions : previous year) arising on translation of external commercial borrowing.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 5 - Intangible Assets

Reconciliation of carrying amount

As at March 31, 2020

(` in Millions)

Particulars	Gross Block				Accumulated Amortisation				Net Block
	Opening Balance as at April 1, 2019	Additions	Deductions	Closing Balance as at March 31, 2020	Opening Balance as at April 1, 2019	For the year	Deductions	Closing Balance as at March 31, 2020	As at March 31, 2020
Computer Software	4.01	1.51	-	5.52	3.73	0.33	-	4.06	1.46
Total	4.01	1.51	-	5.52	3.73	0.33	-	4.06	1.46

As at March 31, 2019

(` in Millions)

Particulars	Gross Block				Accumulated Amortisation				Net Block
	Opening Balance as at April 1, 2018	Additions	Deductions	Closing Balance as at March 31, 2019	Opening Balance as at April 1, 2018	For the year	Deductions	Closing Balance as at March 31, 2019	As at March 31, 2019
Computer Software	3.86	0.15	-	4.01	3.56	0.17	-	3.73	0.28
Total	3.86	0.15	-	4.01	3.56	0.17	-	3.73	0.28

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 6 - Other financial assets

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
<u>Non-current</u>		
(Unsecured, considered good unless provided for)		
a) Security deposits	11.86	12.15
Less: Allowance for Doubtful Deposits	(0.20)	(0.20)
	11.66	11.95
b) Interest receivable on Security Deposit	0.92	0.91
c) Interest receivable on Fixed Deposits & Balances held as Margin Money	5.13	5.66
d) Deposits with banks with more than 12 months maturity	7.71	9.26
Total	25.42	27.78
<u>Current</u>		
(Unsecured, considered good unless provided for)		
a) Security Deposit	0.72	-
b) Amount recoverable from the vendors	0.96	0.96
Less: Provision against amount recoverable from the vendors	(0.96)	(0.96)
	-	-
d) Unbilled Revenue	5.94	8.14
e) Interest receivable on Fixed Deposits & Balances held as Margin Money	0.29	0.03
Total	6.95	8.17

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 7 - Other assets

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
Non-current		
Unsecured, considered good unless provided for		
a) Capital Advance	1.18	3.61
Less: Allowance for Doubtful Advance	(0.68)	(0.68)
	0.50	2.93
b) Prepaid Expenses	0.46	0.17
Total	0.96	3.10
Current		
Unsecured, considered good unless provided for		
a) Prepaid expenses	5.41	8.16
b) Balances with statutory / government authorities	1.02	2.27
c) Income Tax Refund Receivable	9.23	0.56
d) Advances to Vendors	0.51	2.16
e) Excess Contribution to leave encashment fund (see note 31)	0.44	-
e) Excess Contribution to Gratuity fund (see note 31)	0.60	-
Total	17.21	13.15

Note No. 8 - Inventories

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
(Valued at lower of cost and net realizable value)		
Food & Beverages	2.09	2.55
Stores & Operating Supplies	1.42	2.04
Total	3.51	4.59

BELAIRE HOTELS PRIVATE LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2020****Note No. 9 - Trade receivables**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
(Unsecured, considered good, unless otherwise stated)		
Considered good	23.24	19.00
Credit impaired	2.54	4.42
	25.78	23.42
Less: Provision for impairment	(2.54)	(4.42)
Total	23.24	19.00

Note No. 10 - Cash and bank balances

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
a) Cash and cash equivalents		
i) Cash on hand	0.17	0.86
ii) Balances with bank		
- In current accounts	9.82	17.23
Total	9.99	18.09
b) Other bank balances		
- In deposit accounts	-	19.79
- Margin Money Deposits	0.96	1.26
Total	0.96	21.05

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 11 - Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	(` in Millions)	No. of shares	(` in Millions)
a) Authorised share capital Equity shares of ` 10 each	14,10,00,000	1,410.00	11,90,00,000	1,190.00
b) Issued, subscribed and fully paid: Equity Shares of ` 10 each with voting rights	14,07,04,838	1,407.05	11,77,04,838	1,177.05
Total	14,07,04,838	1,407.05	11,77,04,838	1,177.05

During the year ended March 31, 2020, the authorised share capital was increased by ` 220.00 Millions i.e. 2,20,00,000 Equity shares of ` 10 each.

i) Reconciliation of the number of Equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	No. of shares	(` in Millions)
Equity shares with voting rights:		
Balance as at April 1, 2018	8,97,04,838	897.05
- Shares issued during the year	2,80,00,000	280.00
Balance as at March 31, 2019	11,77,04,838	1,177.05
- Shares issued during the year	2,30,00,000	230.00
Balance as at March 31, 2020	14,07,04,838	1,407.05

ii) Rights attached to equity shares:

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The equity shareholders are eligible for dividend when recommended by the Board of Directors and approved by the Shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Details of Equity shares held by the holding company, its subsidiaries and associates:

Particulars	No. of shares	% of holding
Balance as at March 31, 2020 Chalet Hotels Limited, the Holding Company	14,07,04,838	100%
Balance as at March 31, 2019 Belaire Holdings Limited, Mauritius, the Holding Company	8,71,01,580	74%

iv) Details of Equity shares held by each shareholder holding more than 5% shares:

Particulars	No. of shares held	% of holding
Balance as at March 31, 2020 Chalet Hotels Limited, the Holding Company	14,07,04,838	100.00%
Balance as at March 31, 2019 Belaire Holdings Limited, Mauritius, the Holding Company	8,71,01,580	74.00%
AAPC India Hotel Management Private Limited	3,06,03,258	26.00%

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 12 - Other Equity

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
a) Retained earnings	(1,099.14)	(927.44)
b) Equity component of 0% Fully Compulsory Convertible Debentures (FCCDs)	845.04	845.04
Balance at the end of the year	(254.10)	(82.40)

Particulars	Equity component of	Reserves and	Total
	Fully Compulsorily	surplus	
	Convertible	Retained earnings	
	Debentures (FCCD)		
	(` in Millions)	(` in Millions)	(` in Millions)
a) Retained earnings			
Balance a at April 1, 2018	845.04	(808.70)	36.34
Loss for the year	-	(118.83)	(118.83)
Other comprehensive income for the year, net of income tax	-	0.09	0.09
Balance as at March 31, 2019	845.04	(927.44)	(82.40)
Loss for the year	-	(171.62)	(171.62)
Other comprehensive income for the year, net of income tax	-	(0.08)	(0.08)
Balance as at March 31, 2020	845.04	(1,099.14)	(254.10)

Coupon Rate:

The fully compulsorily convertible debentures ("FCCD") shall carry a coupon rate of 0% per annum.

Ranking:

The FCCDs shall, inter se, rank pari passu without any preference or priority of one over the other or others of them.

Conversion terms:

The 8,450,354 FCCD is compulsorily convertible into equity shares of the Company. The Company had FCCD which were mandatorily converted into equity shares of the Company on or before March 31, 2019.

In the last year ended March 31, 2019, board of directors via resolution dated March 18, 2019 have extended the terms of FCCD by 5 years from March 31, 2019 to March 31, 2024. The extension of the term of conversion has been intimated to RBI via letter dated March 19, 2019.

The FCCDs shall have the option to be exercised at their discretion at any time before that date to convert the FCCDs into equity shares by giving 1 month notice in writing to the Company.

At any time on submission of prior notice for conversion of FCCDs into Equity Shares by the holder of FCCDs, the Company shall convert the FCCDs into Equity Shares as follows:

All FCCDs having face value of Rs 100/- will be mandatorily and automatically converted upon one FCCD holder issuing a conversion notice into 84,503,540 fully paid up Equity Shares of Rs. 10/- each.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 13 - Borrowings

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
<u>Non- Current</u>		
Term loans - Secured at amortised cost		
From Banks:		
External Commercial Borrowing (ECB) from Axis Bank Limited	857.73	1,040.23
Rupee Term Loan (RTL) from Axis Bank Limited	9.14	11.89
Total	866.87	1,052.12

Notes:

Nature of Security and terms of repayment for Long Term secured borrowings from banks:

(i) Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and

(ii) Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company.

(iii) The ECB carries an interest rate fixed at London Interbank Offered Rate ("LIBOR") plus 4.5%.

(iv) The RTL carries interest rate fixed at Axis Bank base rate (which at the time of grant of loan was 10%) plus 3.50%.

(v) Period of Loans are fixed for 12 years.

(vi) The ECB is repayable in 38 unequal quarterly instalments, commencing at the end of 33 months from the date of first disbursement i.e. February 2012.

(vii) The RTL is repayable in 38 unequal quarterly instalments, commencing at the end of 33 months from the date of first disbursement i.e. June, 2012.

(viii) Instalments falling due within a year in respect of all the above Loans aggregating ` 276.28 Millions have been grouped under "Current maturities of long-term debt". (Refer Note 16)

(ix) Loan covenants:

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The Company has satisfied these debt covenants except for Debt service coverage ratio as prescribed in the terms of bank loan.

The other loans do not carry any debt covenant.

The Company has not defaulted on any loans payable.

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
<u>Current</u>		
Unsecured Loans from Related Party:		
(interest free and repayable on demand)		
Chalet Hotels Limited, Holding Company	661.30	-
Seapearl Hotels Private Limited, a fellow subsidiary	-	575.50
Total	661.30	575.50

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 14 - Provisions

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
<u>Non-current</u>		
a) Provision for employee benefits		
i) Gratuity (see note 31)	2.10	1.60
ii) Compensated absences (see note 31)	0.72	1.14
Total	2.82	2.74
<u>Current</u>		
a) Provision for employee benefits		
i) Gratuity (see note 31)	0.03	0.03
ii) Compensated absences (see note 31)	0.02	0.03
b) Other provisions		
i) Provision for employee welfare, breakage & training	0.24	0.24
Total	0.29	0.30

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 15 - Trade Payables

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
Other than acceptances		
- Payable to related parties (Refer Note 32)	-	11.39
- Total outstanding dues to micro enterprises and small enterprises	0.57	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	42.57	23.16
Total	43.14	34.55

Note:

The Company has certain dues to suppliers under Micro, small and Medium enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows:

Principal amount due to micro enterprises and small enterprises at the end of accounting year	0.57	-
Interest due on above	-	-
Amount of interest paid during the each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
Amount of interest accrued and remaining unpaid at the end of accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006		
The information has been given in respect of such vendors to the extent they would be identified as "Micro Enterprises and Small Enterprises" on the basis of information available with the Company and relied upon by the auditors.		

Note No. 16 - Other current financial liabilities

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
a) Current maturities of long-term borrowings (Refer Note 13)	276.28	252.29
b) Security Deposit Received	0.50	0.50
c) Interest accrued but not due	4.33	6.56
Total	281.11	259.35

Note No. 17 - Other current liabilities

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
a) Contract Liabilities	7.07	8.55
b) Payables to statutory authorities	2.95	7.46
c) Salaries and wages payable	0.31	0.49
d) Accrued Bonus	1.69	0.95
e) Payable to Leave encashment fund (see note 31)	-	0.02
f) Payable to Gratuity fund (see note 31)	-	0.13
g) Liability for Future Office Rent	-	0.02
Total	12.02	17.62

BELAIRE HOTELS PRIVATE LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2020****Note No. 18 - Revenue from operations**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
Sale of services		
Room Revenue, Income from hiring of hall and related services	249.96	279.01
Food, Restaurants and Banquet Income	132.60	145.11
Other Operating Income - use of Hotel facilities	5.76	5.48
Total	388.32	429.60

Note No. 19 - Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
a) Interest income earned on Financial Assets at amortised cost:		
i) Interest on Fixed Deposit	1.61	3.27
ii) Interest on Security Deposit	1.04	1.01
b) Interest on Income Tax Refund	1.06	-
c) Income from space rental for tower	3.26	3.41
d) Income from scrap sale	0.07	0.02
e) Net Gain on Foreign currency transaction and translation	0.08	0.07
f) Miscellaneous income	0.86	0.21
g) Credit Balances wrtitten back	-	0.75
Total	7.98	8.74

BELAIRE HOTELS PRIVATE LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2020****Note No. 20 - Food and beverages consumed**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
Opening stock	2.55	2.69
Add: Purchases	37.53	38.92
	40.08	41.61
Less: Closing stock	2.09	2.55
Total	37.99	39.06

Note No. 21 - Employee benefits expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
a) Salaries and wages	78.25	73.45
b) Contribution to provident and other funds	5.74	5.41
c) Gratuity	1.20	0.98
c) Staff welfare expense	11.09	13.39
Total	96.28	93.23

Note No. 22 - Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
a) Interest expense on:		
i) Term loans	93.91	113.05
ii) Exchange differences regarded as a adjustment to borrowing cost	0.57	0.27
Total	94.48	113.32

Note No. 23 - Depreciation and amortization expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
Depreciation of Property, Plant and Equipment (Refer Note 4)	99.76	92.05
Amortization of Intangible Assets (Refer Note 5)	0.33	0.17
Total	100.09	92.22

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

Note No. 24 - Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
Payments to Auditors (Refer Note below)	4.85	2.30
Provision for Doubtful Debt	2.54	4.42
Bad Debts Written off	4.42	-
Less: Allowance there against	(4.42)	-
Bank Charges	8.14	4.21
Advertisement & Business Promotion	1.76	1.79
Consumption of Stores & Supplies	14.62	15.01
Contracted employees expenses	16.08	11.69
Donation	-	0.03
ROC Fees	1.66	2.10
Guest Transportation Expenses	7.82	9.71
Insurance Premium	2.45	2.37
Loss on discard of Property Plant and Equipment	-	5.68
Legal & Professional Fees	24.64	9.58
License Fees	8.69	6.29
Office Expenses	0.41	0.44
Office Rent (Refer Note 29)	1.46	2.36
Brokerage Expenses	-	0.12
Postage, Telephone and Communication Expenses	2.19	2.26
Printing and Stationery Expenses	1.25	1.15
Power & Fuel	54.49	54.88
Water Charges	1.07	1.10
Property Tax and Other Taxes & Duties	13.83	11.08
Repairs and Maintenance	11.94	10.54
Rental of audio visual & other equipments	2.14	2.86
Sales Commission	11.48	9.92
Travelling and Conveyance	2.41	2.42
Hotel Management & Other Fees	32.04	39.13
Data Processing Expenses	3.93	4.01
Miscellaneous Expenses	7.16	1.89
Total	239.05	219.34
Note:		
Payments to auditors include:		
(a) As auditors	1.30	1.30
(b) For Other Services	3.40	1.00
(d) Out of pocket expenses	0.15	-
Total	4.85	2.30

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

25 Tax Disclosures

A) Tax expense recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)
Current tax		
Expense for the year	-	-
Total current tax (A)	-	-
Deferred tax		
Origination and reversal of temporary difference	-	-
Change in tax rates	-	-
Total deferred income tax expense/(credit) (B)	-	-
Total tax expense for the year (C) = (A + B)	-	-
Tax in respect of earlier years (D)	0.03	-
Total tax expense/(credit) (C + D)	0.03	-

B) As the Company does not have any taxable income, provision for tax is not applicable, thus tax reconciliation between the statutory income tax rate applicable to the Company and the effective tax rate is not applicable.

C) Deferred tax assets and liabilities:

Particulars	As at April 01, 2018	Change for the year	As at March 31, 2019	Change for the year	As at March 31, 2020
	(` in Millions)	(` in Millions)	(` in Millions)	(` in Millions)	(` in Millions)
Deferred Tax Assets					
On unabsorbed depreciation	236.76	37.52	274.28	33.77	308.05
On unabsorbed Loss	42.95	30.10	73.05	(73.05)	-
Origination and reversal of temporary differences	0.77	0.00	0.77	(0.29)	0.48
Total (A)	280.48	67.62	348.10	(39.57)	308.53
Deferred Tax (Liabilities)					
Property, Plant and Equipment	(178.46)	(39.81)	(218.27)	(34.09)	(252.36)
Total (B)	(178.46)	(39.81)	(218.27)	(34.09)	(252.36)
Net Deferred Tax Assets (A - B)	102.02	27.81	129.83	(73.66)	56.17

Note:

As on the balance sheet date, there is a net deferred tax asset amounting to ` 56.17 Millions (As at 31st March, 2019 ` 129.83 Millions). However, in the absence of the convincing evidence, the Company had not recognised deferred tax assets.

As there is change in more than 51% shareholding of the Company, brought forward business loss is not considered in calculation of Deferred Tax as on March 31, 2020

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

26 Assets pledged as securities

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(' in Millions)	(' in Millions)
Fixed Charge		
Current Assets		
Financial Assets		
Trade receivables	23.24	19.00
Cash and cash equivalents	9.99	18.09
Bank balances other than Cash and cash equivalents	0.96	21.05
Others financial assets	6.95	8.17
	41.14	66.31
Non Financial Assets		
Inventories	3.51	4.59
Other current assets	11.80	4.99
	15.31	9.58
Total Current assets	56.45	75.89
Non Current Assets		
Property, Plant and Equipment		
a) Freehold Land	880.97	880.97
b) Building	1,603.14	1,565.13
c) Office Equipment	0.38	0.30
d) Leasehold Assets Improvements	0.09	0.15
e) Plant and Machinery	350.80	360.24
f) Computer & Server	1.34	1.66
g) Furniture & Fixtures	35.76	49.22
h) Electrical Fittings	31.67	36.72
i) Operating Furnishing & Supplies	2.36	2.98
	2,906.51	2,897.37
Non Financial Assets		
Other non-current assets	0.50	2.93
Financial Assets		
Other financial assets	25.42	27.78
Total non-current assets	2,932.43	2,928.08
Total assets	2,988.88	3,003.97

27 Contingent liabilities, Contingent assets and commitments (to the extent not provided for):

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(' in Millions)	(' in Millions)
i) Contingent Liabilities		
(a) Guarantees Given by the Banks and Counter Guarantee By the Company	66.75	75.11
(b) There are numerous interpretative issues relating to the Supreme Court (SC) judgment on provident fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.		

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

ii) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances):

As at March 31, 2020, the company had ` NIL commitment to be executed on capital accounts, (As at March 31, 2019: ` 1.69 Millions).

28 Impact of Covid 19 :-

The Company faces significant economic uncertainties due to Covid 19 which have impacted the operations of the Company adversely starting from the Month of March 2020 onwards particularly by way of reduction in occupancy and average realization rate per room and fall in revenue of other assets. In April and May 2020 the hotels have not been operational and the Company is not certain by when it will be able to reach regular level of operation and therefore currently not in a position to assess impact of Covid 19 on the future projection of the company. Management is taking various cost saving initiatives to maximize operating cash flows in the given situation. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the management has considered the conditions prevailing as at the date of approval of this Ind AS Financial Statement and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

29 Lease

Operating lease : Company as a lessee

The Company has taken commercial premise on cancellable operating lease basis (lock-in period of 2 year) for period of 36 months. The lease payments of revenue nature recognized in the Statement of Profit and Loss is ` 1.46 Millions (Previous Year ` 2.36 Millions),

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under:		
For a period not later than one year	0.63	1.48
For a period later than one year and not later than five years	-	0.63
For a period later than five years	-	-

30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	(` in Millions)	(` in Millions)
Profit for the year attributable to equity shareholders of the company	(171.62)	(118.83)
Weighted average number of equity shares outstanding	13,22,64,947	10,44,71,961
Basic and Diluted Earnings Per Share (Rs.) (Face value of Rs. 10 per share)	(1.30)	(1.14)

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

31 Post retirement benefit plans

HO Staff

I. Details of Defined Benefit Plan - Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity.

The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of

years of service, subject to a ceiling of ` 2 Millions. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

As per Actuarial Valuation as on 31st March, 2020 and 31st March 2019 and recognised in the financial statements in respect of Employee Benefits Scheme

A. Amount recognised in the Balance Sheet

	(` in Millions)	
	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations	1.74	2.05
Fair value of plan assets*	2.34	1.92
Defined benefit obligation net of plan assets	0.60	(0.13)

* Defined benefit plan are funded.

B. Movement in plan assets and obligations

	Year ended March 31, 2020			Year ended March 31, 2019		
	Plan Assets	Obligations	Net	Plan Assets	Obligations	Net
Balance As at 1st April	1.92	2.05	(0.13)	1.48	1.65	(0.17)
Current service cost	-	0.15	(0.15)	-	0.20	(0.20)
Interest cost on obligation	-	0.16	(0.16)	-	0.13	(0.13)
Interest income on plan assets (Actual Return on plan assets)	0.15	-	0.15	0.12	-	0.12
Actuarial (gain)/loss arising from changes in demographic assumptions	-	0.00	(0.00)	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.15	(0.15)	-	0.01	(0.01)
Actuarial (gain)/loss arising from experience adjustments	-	(0.05)	0.05	-	0.06	(0.06)
Return on plan assets excluding interest income	(0.00)	-	(0.00)	0.01	-	0.01
Employer contributions	0.28	-	0.28	0.31	-	0.31
LIC Charges	-	-	-	(0.01)	-	(0.01)
Benefit payments	-	(0.72)	0.72	-	-	-
Balance as at 31st March	2.34	1.74	0.60	1.92	2.05	(0.13)

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2020	As at March 31, 2019
Active members	2	6
Deferred members	-	-
Retired Members	-	-
The weighted average duration of the defined benefit obligations	9.84	12.35
Expected Employer's Contribution for next financial year (` in Millions)	0.13	0.23

C. Statement of Profit and Loss

	(` in Millions)	
	Year ended March 31, 2020	Year ended March 31, 2019
Employee Benefits Expense:		
Current service cost	0.15	0.20
Finance cost/(income) net	0.01	0.01
Past Service Cost	-	-
Expense/(Gain) recognised in the statement of Profit and loss	0.16	0.21
Remeasurements of the net defined benefits :		
Actuarial (gains)/losses arising from changes in financial assumptions	0.15	0.01
Actuarial (gain)/loss arising from changes in demographic assumptions	0.00	-
Actuarial (gain)/loss arising from experience adjustments	(0.05)	0.06
Return on plan assets excluding actual return on plan assets	0.00	(0.01)
Net impact on Other Comprehensive Income	0.10	0.06

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

31 Post retirement benefit plans (Contd...)

D. Assets

	(` in Millions)	
	As at March 31, 2020	As at March 31, 2019
Insurer managed Fund	2.34	1.92
	2.34	1.92

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.63%	7.66%
Salary Escalation Rate *	7.00%	7.00%

* Taking into account inflation, seniority, promotion and other relevant factors.

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement : LIC Buy-out Annuity

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(` in Millions)

Gratuity	Change in assumption	As at March 31, 2020		As at March 31, 2019	
		Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	0.50%	(0.08)	0.08	(0.10)	0.11
Salary Escalation Rate #	0.50%	0.08	(0.08)	0.11	(1,017.33)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. The defined benefit obligations shall mature after the end of reporting period is as follows:

	(` in Millions)	
	As at March 31, 2020	As at March 31, 2019
2020	-	0.03
2021	0.02	0.04
2022	0.03	0.03
2023	0.03	0.03
2024	0.03	0.03
2025	0.03	0.03
2026	0.03	-
Thereafter	1.57	1.85

H. Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level.

II. Compensated absences

The leave obligations cover the Company's liability for earned leave.

The amount payable to leave encashment fund of ` negative Rs. 0.44 Millions (31st March, 2019 – ` 0.02 Millions) is presented as current financial assets, on the basis of actuarial valuation report obtained from valuer.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

31 Post retirement benefit plans (Contd...)

Hotel Staff

I. Details of Defined Benefit Plan - Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a ceiling of ₹ 2 Millions

As per Actuarial Valuation as on 31st March, 2020 and 31st March 2019 and recognised in the financial statements in respect of Employee Benefits Scheme

A. Amount recognised in the Balance Sheet

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations	2.13	1.63
Defined benefit obligation net of plan assets	2.13	1.63

B. Movement in obligations

	As at March 31, 2020	As at March 31, 2019
Balance As at 1st April	1.63	1.37
Current service cost	0.92	0.66
Interest cost on obligation	0.12	0.11
Actuarial (gain)/loss arising from changes in demographic assumptions	0.01	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.24	0.03
Actuarial (gain)/loss arising from experience adjustments	(0.27)	(0.18)
Benefit payments	(0.52)	(0.36)
Balance as at 31st March	2.13	1.63

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2020	As at March 31, 2019
Active members	198	192
Deferred members	-	-
Retired Members	-	-
The weighted average duration of the defined benefit obligations	21.13	21.26
Expected Employer's Contribution for next financial year (₹ in Millions)	1.52	1.10

C. Statement of Profit and Loss

	As at March 31, 2020	As at March 31, 2019
Employee Benefits Expense:		
Current service cost	0.92	0.66
Finance cost/(income) net	0.12	0.11
Past Service Cost	-	-
Expense/(Gain) recognised in the statement of Profit and loss	1.04	0.77
Remeasurements of the net defined benefits :		
Actuarial (gain)/loss arising from changes in demographic assumptions	0.01	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.24	0.03
Experience (gains)/losses	(0.27)	(0.18)
Net impact on Other Comprehensive Income	(0.02)	(0.15)

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

31 Post retirement benefit plans (Contd...)

D. Assumptions

With the objective of presenting the plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.80%	7.66%
Salary Escalation Rate *	5.00%	5.00%

* Taking into account inflation, seniority, promotion and other relevant factors.

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement : LIC Buy-out Annuity

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Gratuity	(` in Millions)				
	Change in assumption	As at March 31, 2020		As at March 31, 2019	
		Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	0.50%	(0.17)	0.19	(0.13)	0.14
Salary Escalation Rate #	0.50%	0.20	(0.18)	0.14	(0.13)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. The defined benefit obligations shall mature after the end of reporting period is as follows:

	(` in Millions)	
	As at March 31, 2020	As at March 31, 2019
2020	-	0.03
2021	0.03	0.02
2022	0.02	0.02
2023	0.03	0.02
2024	0.04	0.03
2025	0.04	0.03
2026	0.04	-
Thereafter	1.94	1.49

H. Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields. This is

II. Compensated absences

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of ` 0.74 Millions (31st March, 2019 – ` 1.17 Millions) is presented as current and non-current on the basis of actuarial valuation report obtained from valuer.

HO & Hotel Staff

Details of Defined Contribution Plan

The Company also has certain defined contribution plans. Contributions are made to provident and other funds in India for employees as per regulations. The contributions are made to registered provident fund, ESIC, etc. administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is ` 5.74 Millions (Previous Year: ` 5.41 Millions) in the Statement of Profit and Loss for the year ended March 31, 2020.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

32 Related Party Disclosures under IND AS 24

1) List of Related Parties and Relationships with them:

- (a) **Holding Company:**
 Belaire Holding Limited, Mauritius till February 2, 2020
 Chalet Hotels Limited w.e.f. February 3, 2020
- (b) **Company Having Significant Influence:**
 AAPC India Hotel Management Private Limited till February 2, 2020
- (c) **Company Having Common Director**
 Naman Hotels Private Limited till February 2, 2020
 Interglobe Hotels Private Limited till February 2, 2020
 Caddie Hotels Private Limited till February 2, 2020
- (d) **Fellow Subsidiary Companies:**
 Seapearl Hotels Private Limited
- (d) **Key Management Personnel:**
 Mr. Rajib Datta Ray

2) Details of related party transactions during the year ended March 31, 2020:

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
		(` in Millions)	(` in Millions)
1	Holding Company:		
	Belaire Holding Limited, Mauritius till February 2, 2020		
	- Issue of Equity Shares	170.20	207.20
	Chalet Hotels Limited w.e.f. February 3, 2020		
	- Borrowings	661.30	-
2	Company Having Significant Influence:		
	AAPC India Hotel Management Private Limited till February 2, 2020		
	- Issue of Equity Shares	59.80	72.80
	- Hotel Management & Other Fees	29.10	39.13
	- Technical Assistance Fees	0.60	1.85
	- Training Fees	0.36	0.56
	- Professional Fees	-	0.16
	- Salary	2.55	
3	Company Having Common Director		
	Naman Hotels Private Limited till February 2, 2020		
	- Training Fees	0.03	0.02
	- Entertainment Expenses	-	0.10
	Interglobe Hotels Private Limited till February 2, 2020		
	- Training Fees	0.04	0.07
	- Guest Transportation Expenses	-	0.00
	- Guest Relocation Expenses	-	0.15
	- Entertainment Expenses	-	-
	Caddie Hotels Private Limited till February 2, 2020		
	- Training Fees	0.02	-
4	Fellow Subsidiary Companies:		
	Seapearl Hotels Private Limited	575.50	-
	- Repayment of Borrowings		
4	Key Management Personnel:		
	Mr. Rajib Datta Ray	7.17	4.52

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

32 Related Party Disclosures under IND AS 24 (Contd...)

3) Outstanding balances:

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
		(` in Millions)	(` in Millions)
1	Holding Company:		
	Belaire Holding Limited, Mauritius till February 2, 2020		
	- Equity component of Fully Compulsorily Convertible Debentures		625.00
	Chalet Hotels Limited w.e.f. February 3, 2020		
	- Equity component of Fully Compulsorily Convertible Debentures	845.04	
	- Borrowings	661.30	
2	Company Having Significant Influence:		
	AAPC India Hotel Management Private Limited till February 2, 2020		
	- Trade Payables	-	11.22
	- Equity component of Fully Compulsorily Convertible Debentures	-	220.00
3	Company Having Common Director		
	Interglobe Hotels Private Limited till February 2, 2020		
	- Advances to Vendors	-	-
	- Trade Payables	-	0.16
	Naman Hotels Private Limited		
	- Trade Payables	-	0.01
4	Fellow Subsidiary Companies:		
	Seapearl Hotels Private Limited		
	- Borrowings	-	575.50

Notes:

(i) Key Management Personnel compensation does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

(ii) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for receivables, payables and are unsecured, interest free and settlement occurs in cash. The Company has not recorded any impairment of balances relating to amounts owed by related parties during the year ended March 31, 2020. The assessment is undertaken in each financial year through evaluating the financial position of the related party and the market in which the related party operates.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

33 Segment Information

(i) The Company is exclusively engaged in the business of "hotel services". This in the context of Ind Accounting Standard (Ind AS 108) "Operating Segment", constitutes single primary segment.

(ii) There is no geographical segment to be reported since all the operations are undertaken in India.

34 Fair Value Measurement

All the financial assets and financial liabilities of the Company are carried at amortised cost.

The management assessed that financial instruments such as trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables, other financial liabilities approximate their carrying value largely due to the short-term maturities of these instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Categories of financial instruments

Particulars	As at March 31, 2020	As at March 31, 2019	Fair Value Hierarchy
Financial assets			
Measured at Amortised Cost			
– Cash and bank balances	10.95	39.14	Level 3
– Trade receivables	23.24	19.00	Level 3
– Other financial assets	32.37	35.95	Level 3
Measured at fair value through profit and loss (FVTPL)	-	-	NA
Measured at fair value through other comprehensive income (FVTOCI)	-	-	NA
Financial liabilities			
Measured at Amortised Cost			
– Borrowings	1,528.17	1,627.62	Level 3
– Trade payable	43.14	34.55	Level 3
– Other current financial liabilities	281.11	259.35	Level 3

BELAIRE HOTELS PRIVATE LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2020****35 Financial Instruments****I Capital management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financials covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the Company

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(` in Millions)	(` in Millions)
Long term borrowing		866.87	1,052.12
Short Term borrowing (repayable on demand)		661.30	575.50
Current portion of long term borrowing		276.28	252.29
Total borrowing		1,804.45	1,879.91
Less:- Cash and cash equivalents including other bank balances		(18.66)	(48.40)
Net debt	A	1,785.79	1,831.51
Total shareholders' equity as reported in Balance Sheet	B	1,152.95	1,094.65
Total capital and debt	(A+B)	2,938.74	2,926.16
Gearing Ratio		60.77%	62.59%

In order to achieve the overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the banks/lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current year.

No changes were made in the objectives, policies and processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

II Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, and others, as well as credit exposures to customers, including outstanding receivables.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the company.

The Company measures the expected credit loss of financial assets other than trade receivables of domestic business and security deposits from individual customers based on historical trend, industry practices and the business environment in which the Company operates. Loss rates are based on actual credit loss experience and past trends.

(B) Liquidity risk**Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

Financing arrangements

The Company does not have any undrawn borrowing facilities.

The breakup of the borrowings into fixed and floating interest rates is as follows:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
		(` in Millions)
Fixed interest rate	-	-
Floating interest rate	1,143.15	1,304.41
Total	1,143.15	1,304.41

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

35 Financial Instruments (Contd....)

Maturity patterns of borrowings						(` in Millions)
Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	
March 31, 2020						
Long term borrowing						
External Commercial Borrowings (ECB) *	-	587.07	281.79	-	868.86	
Rupee Term Loan (RTL)	-	5.60	3.54	-	9.14	
Short term borrowing						
Unsecured Loan from Related Party (repayable on demand)	661.30	-	-	-	661.30	
Current portion of long term borrowing (ECB & RTL)	284.54	-	-	-	284.54	
Total	945.84	592.67	285.33	-	1,823.84	
March 31, 2019						
Long term borrowing						
External Commercial Borrowings (ECB) *	-	518.24	539.83	-	1,058.07	
Rupee Term Loan (RTL)	-	5.49	5.83	0.57	11.89	
Short term borrowing						
Unsecured Loan from Related Party (repayable on demand)	575.50	-	-	-	575.50	
Current portion of long term borrowing (ECB & RTL)	261.86	-	-	-	261.86	
Total	837.36	523.73	545.66	0.57	1,907.32	

Maturities of financial liabilities - other than borrowings						(` in Millions)
Particulars	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total	
March 31, 2020						
Trade Payables	43.14	-	-	-	43.14	
Other Current Financial Liabilities	4.83	-	-	-	4.83	
Total	47.97	-	-	-	47.97	
March 31, 2019						
Trade Payables	34.55	-	-	-	34.55	
Other Current Financial Liabilities	7.06	-	-	-	7.06	
Total	41.61	-	-	-	41.61	

(C) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	(Foreign currency in Million)				(` in Millions)	
	Currency	As at	As at	As at	As at	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Payables	USD	15.32	19.09	1,154.85	1,323.57	

(ii) Foreign currency sensitivity

The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of the monetary assets and liabilities including currency derivatives.

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the year ended	For the year ended	For the year ended	For the year ended
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(` in Millions)	(` in Millions)	(` in Millions)	(` in Millions)
USD	+ 5%	57.74	66.18	57.74	66.18
	- 5%	(57.74)	(66.18)	(57.74)	(66.18)

BELAIRE HOTELS PRIVATE LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2020****(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	Effect on profit before tax		Effect on equity	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
	(` in Millions)	(` in Millions)	(` in Millions)	(` in Millions)
50 bp increase- decrease in profits *	(5.81)	(6.66)	(5.81)	(6.66)
50 bp decrease- Increase in profits *	5.81	6.66	5.81	6.66

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year

(D) Other risk - impact of Covid 19

Financial assets of ` 18.66 Millions as at March 31, 2020 carried at fair value is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of ` 23.24 Millions as at March 31, 2020 is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is done considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The same assessment is done in respect of unbilled revenue of ` 5.94 Millions as at March 31, 2020 while arriving at the level of provision that is required. Basis this assessment, the provision for doubtful debt of ` 2.54 Millions as at March 31, 2020 is considered adequate.

BELAIRE HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2020

36 Revenue from Contract with Customers:

IND AS 115 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18. It introduces a new five-step approach to measuring and recognizing revenue from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the cumulative effect method (modified retrospective application) permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March 31, 2019 only (i.e. the initial application period). This method requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at April 1, 2018 ('transition date') in equity and the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements is not material.

The Company does not expect to have any contracts where the periods between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any transaction prices for the time value of money.

Prior to adoption of IND AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations and lease rental income. The recognition of these revenue streams is largely unchanged by Ind AS 115.

i) Details of Revenue based on product and services with respect to Revenue from contracts with customers recognized by the Company, net of indirect taxes in its Statement of Profit and Loss:

Particulars	For the year ended March 31, 2020
	(` in Millions)
Revenue from contract with customers	
Room Revenue, Income from hiring of hall and related services	249.96
Food, Restaurants and Banquet Income	132.60
Other Operating Income - use of Hotel facilities	5.76
Total Revenue from operations	388.32

ii) The hotel generating revenue from operations are located in India, hence, there is no disaggregation of revenue based on geography.

iii) Contract Balances

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over / services delivered.

Advance Collections is recognized when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant. Revenue is recognized once the performance obligation is met i.e. on room stay / sale of food and beverage / provision of other hospitality services. It also includes membership fee received in advance from customers / members as part of membership program offered from time to time.

Contract Liabilities:

Particulars	As at March 31, 2020	As at March 31, 2019
	(` in Millions)	(` in Millions)
Advance received against Bookings for hotel services	7.07	8.55

Note: Considering the nature of business of the Company, the above contract liabilities are generally materialized as revenue within the same operating cycle.

37 Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification/ disclosure.

There is no impact on the Profit, financial position and Cashflow of the Company due to such regrouping/reclassification. Figures representing ` 0.00 Million is below ` 5,000.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors

Sd\
per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date: 18.06.2020

Sd\
Karuna Nasta
Director
DIN: 08627149

Sd\
Rajib Dattarav
Executive Director & CFO
DIN: 06704770

Sd\
Anshu Shroff
Company Secretary
Membership No. ACS17803
Place: Mumbai
Date: 18.06.2020