

CHALET HOTELS & PROPERTIES (KERALA) PRIVATE LIMITED

CIN: U55101KL2006PTC020125

'TCCC' Near NISH School, Village Cheruvaikkal & Village Attipra, Akkulam,
Thiruvananthapuram, Kerala - 695017

Directors' Report

To the Members,

The Directors have pleasure in submitting the 15th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2021.

1. Financial Results

The Company's financial performance for the year under review along with previous years' figures are given hereunder:

(Amount in Rs.)

Particulars	March 31, 2021 Current Year	March 31, 2020 Previous Year
Profit/(Loss) before tax	(51,92,531)	(6,36,01,470)
Current tax expense	-	(3,82,550)
Profit/(Loss) for the year	(51,92,531)	(6,32,18,920)
Basic and diluted earnings per equity share	(0.19)	(2.28)
<u>Appropriations</u>		
Profit/(Loss) for the year	(51,92,531)	(6,32,18,920)
Balance brought forward	(30,48,68,839)	(24,16,49,919)
Balance carried to Balance Sheet	(31,00,61,370)	(30,48,68,839)

The Financial Statements for the year under review have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in Section 133 of the Companies Act, 2013, read with the Rules made thereunder and the relevant provisions of the Act.

2. Review of Operations / State of Company's Affairs

Your Company continues to engage with the Department of Tourism, Government of Kerala (GoK) to implement the International Convention Centre Complex at Thiruvananthapuram.

The representatives of the Company have been engaging with the officials of the Government, Tourism Department and Kerala Tourism Infrastructure Limited (KTIL) to review the progress on approvals which are critical to be obtained before embarking on the project.

Directors' Report

The company has received assurances that the necessary procedure for obtaining the requisite approvals has already been initiated and necessary follow up and facilitation are being undertaken to facilitate the relevant approvals and execution thereof.

3. Directorate & KMP

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Anand Chandan will retire by rotation and being eligible is proposed to be re-appointed at the ensuing Annual General Meeting ('AGM') of the Company.

During the year under review, Mr. Rajeev Newar resigned as the Director of the Company with effect from August 19, 2020 due to personal reasons. The Board appreciates the contribution of Mr. Newar to the Company and expresses gratitude for the services tendered by him. Further, Mr. Milind Wadekar was appointed as an Additional Director of the Company with effect from August 19, 2020, subject to the approval of the Members at the ensuing AGM.

The Company is in discussions for identification and appointment of a second Independent Director.

During the year under review, Mr. Saurabh Bandekar was appointed as the Company Secretary of the Company with effect from May 18, 2021.

4. Material changes and commitments, if any affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report

No material changes and commitments affecting the financial position of the Company have occurred after the end of the Financial Year.

5. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 does not apply to the Company for the year under review.

6. Corporate Social Responsibility

As the Company had losses during the year, the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 were not applicable to the Company during the year under review.

Directors' Report

7. Borrowing

The aggregate borrowings of your Company (including interest) stood at Rs.3,30,50,476 as at March 31, 2021 as compared to Rs.2,75,67,204 as at March 31, 2020.

8. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

No investments were made and no loans, guarantees or securities were given by the Company during the year under review.

9. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

10. Loans from Directors

During the year under review, the Company has not accepted loans from any of its Directors.

11. Particulars of Contracts or Arrangements made with Related Parties

The Company had availed loan from K. Raheja Corp. Private Limited. Further, the Company also had also availed a loan from its holding company i.e. Chalet Hotels Limited which was returned shortly thereafter. There were no other contracts or arrangements made with related parties, as envisaged under Sections 184 and 188 of the Companies Act, 2013 during the year under review.

12. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors and the Practicing Company Secretary in their reports

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors in their report on the Financial Statements for the Financial Year 2020-21.

13. Company's policy relating to Directors' appointment, payment of remuneration and discharge of their duties

Currently no remuneration is being paid to the Directors.

The Company has constituted a Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Company consists of Mr. Sanjay Sethi, Mr. Anand Chandan and Mr. Vishal Masand. The Company is making an endeavor to appoint a second Independent Director to the same.

Directors' Report

The Policy on Nomination & Remuneration adopted by the Company, annexed to this report as Annexure 1 provides for:

- (a) the level and composition of remuneration to be commensurate to attract, retain the talent and quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets performance benchmarks;
- (c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

14. Audit Committee

The Audit Committee of the Company consists of Mr. Sanjay Sethi, Mr. Milind Wadekar and Mr. Vishal Masand. The Company is making an endeavor to appoint a second Independent Director to the same. During the year under review, the Audit Committee of the Company met two times i.e., on May 18, 2020 and August 19, 2020. The Audit Committee, inter-alia also evaluates the internal financials controls and the risk management systems of the Company.

15. Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Company consists of Mr. Sanjay Sethi, Mr. Anand Chandan and Mr. Vishal Masand. The Company is making an endeavor to appoint a second Independent Director to the same. During the year under review, the Nomination & Remuneration Committee of the Company met one time i.e., on August 19, 2020.

16. Board Evaluation

The Board of Directors has carried out annual evaluation of its own performance and that of its committees and individual Directors based on the review conducted by the Nomination and Remuneration Committee.

17. Number of Meetings conducted during the year under review

The Company held four Board meetings on May 18, 2020, August 19, 2020, November 20, 2020 & February 3, 2021 and an AGM on August 19, 2020 during the year under review.

18. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board confirms that:

- a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. the Directors have 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 loss of the Company for the year;

Directors' Report

- c. the Directors have taken proper and sufficient care 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 Directors have prepared the annual accounts on a going concern basis; and
- e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

20. Declaration of Independent Directors

As per the provisions of Section 149 of the Companies Act, 2013, Mr. Vishal Masand who has been appointed as an Independent Director of the Company has submitted a declaration stating that he meets the criteria of independence as required.

21. Dividend/Transfer to Reserves

In view of losses incurred, no Dividend is recommended.

22. Statutory Auditors

As per the provisions of Section 139(2) of the Companies Act, 2013, M/s. BSR & Co. LLP., Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years. They hold the office from the conclusion of the 13th AGM until the conclusion of the 18th AGM of the Company.

23. Capital Structure

The Company's has an Authorised Share Capital of Rs.28,00,00,000 divided into 2,80,00,000 shares of Rs.10 each. The Equity Share Capital of the Company consists of 2,77,87,770 shares of Rs.10 each amounting to Rs.27,78,77,700.

The Company did not issue any further shares during the year under review.

24. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The provisions of this Act are not applicable to the Company for the year under review.

25. Particulars of Employees

There are no employees to be reported as required by Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Directors' Report

26. Risk Management

The Company is yet to commence the International Convention Centre Complex (ICCC) Project at Thiruvananthapuram, Kerala.

The Company has a prudent risk management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels.

27. Vigil Mechanism

The provisions of section 177(9) regarding establishment of vigil mechanism are not applicable to the Company.

28. Accounting Treatment

The Accounting Treatment is in line with the applicable Indian Accounting Standards (IND-AS) recommended by The Institute of Chartered Accountants of India and prescribed by the Central Government.

29. Secretarial Standards

Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, as applicable, have been followed by the Company. Secretarial Audit in terms of Section 204 of the Companies Act, 2013 is not applicable to the Company for the year under review.

30. Significant and Material Orders Passed

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

31. Acknowledgments

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from regulatory and statutory authorities, Government, auditors and other key stakeholders.

For and on behalf of the Board of Directors

Date: May 13, 2021
Place: Mumbai

Sd/-
Sanjay Sethi
Director
DIN: 00641243

Sd/-
Milind Wadekar
Director
DIN: 08627229

POLICY FOR REMUNERATION OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Company has drafted and adopted this Policy in compliance with the provisions of Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto.

This Policy applies to:

- (i) Identification and selection of persons who may be appointed as Directors or senior management, and
- (ii) remuneration of the Directors, Key Management Personnel (KMP) and other employees in senior management.

This Policy has been reviewed and approved by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors (Board) of the Company.

The Nomination and Remuneration Committee of the Company shall be duly constituted in accordance with the requirements of the Companies Act, 2013 consisting of three or more Non-Executive Directors, out of which not less than one half shall be independent.

This Policy lays down a framework and provides guidance for the selection, appointment and re-appointment of the Directors of the Company and aims at ensuring that the management of the Company consists of persons with a diverse range of skills and qualities towards growth of the Company while ensuring that the interests of the Company and its stakeholders are promoted and protected.

Principles for selection and appointment of Directors

The Board shall identify persons and recommend appointment, reappointment and removal of persons as Directors and to / from senior management in accordance with the criteria laid down. This responsibility is entrusted to the NRC on behalf of the Board.

The role of the NRC shall, inter-alia, include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the selection, appointment and remuneration of the Directors, Key Management Personnel and other employees;
- the NRC, while formulating the above policy, should ensure that:
 - the level and composition of remuneration be reasonable and sufficient to attract, retain and create motivation with regard to the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- formulation of criteria for evaluation of performance of independent directors and the Board;

In the process of appointment of a Director on the Board by the NRC, or in the appointment of a person to the senior management, due consideration should be given to the following:

- evaluation/gap assessment of the Board/Management build and strengthen it.
- the current and future business plans and need of the Company
- extent of contribution by the incumbent to the Company and its management team, to improve the overall performance of the Company
- Extent of contribution to overall effectiveness of the Board and senior management;
- Compatibility with the existing management team and the Company's business;

Directors' Report

- Expertise that the candidate shall bring to the role that will contribute to the Company's goals
- Independence of such candidate under the provisions of the Companies Act, 2013, if and as may be applicable.

Accordingly, in selecting and recommending a potential new Director and analysing renewal of the term of existing Directors, the NRC should identify the competencies required to enable the Board to fulfil their respective responsibilities within the framework of the overall objectives and goals of the Company.

In selecting and recommending potential new member of senior management, the NRC should identify the competencies required to enable the senior management to fulfil their respective responsibilities within the framework of the overall objectives and goals of the Company.

While any individual person may not necessarily fulfil all criteria, in evaluating and recommending the candidature of a candidate, regard shall be had to the following criteria, skills and personal attributes:

- Experience;
- Outstanding in capability;
- Honesty & Integrity;
- Requisite professional qualification;
- Strategic capability with business vision and fine track record;
- Entrepreneurial spirit;
- Independent and lateral thinking;
- Leadership qualities;
- Commitment;
- Availability of time to discharge the duties as a Director of the Company.

If the candidate is found suitable, the NRC shall recommend the candidate to the Board for appointment as Director.

A Director who retires at an Annual General Meeting may, if willing to act, be re-appointed and is subject to the selection and appointment procedures outlined above.

Policy for remuneration of the Directors and members of senior management

The objective of the Company's remuneration policy is to attract, motivate and retain qualified expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the context around remuneration and recognising the interests of the Company's stakeholders.

The remuneration/ compensation/ commission for the Directors will be determined by the NRC and intimated to the Board.

Disclosure of Remuneration of Non-Executive Directors

All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company shall be disclosed in the Annual Report.

Notification

The details of this policy shall be included in the report of the Board of Directors prepared under Section 134(3) of the Companies Act, 2013.

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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Independent Auditors' Report

To the Members of Chalet Hotels & Properties (Kerala) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chalet Hotels & Properties (Kerala) Private Limited (“the Company”), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and our auditors' report thereon.

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

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

Registered Office:

Independent Auditors' Report (*Continued*) **Chalet Hotels & Properties (Kerala) Private Limited**

Management's Responsibility for the Financial Statements

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

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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

Independent Auditors' Report (*Continued*)

Chalet Hotels & Properties (Kerala) Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements (*Continued*)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) with respect to adequacy of the internal financial control with reference to financial statements of the Company and the operating effectiveness of such control, refers to our separate Report in "Annexure B."

Independent Auditors' Report (*Continued*)

Chalet Hotels & Properties (Kerala) Private Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigation 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 are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the disclosures regarding holding as well as dealing in specified bank notes during the period 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
- i. in our opinion and according to the information and explanations given to us, the Company has not paid/provided for managerial remuneration; and
 - ii. the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-

Mansi Pardiwala
Partner

Membership No: 108511
UDIN: 21108511AAAACR7384

Mumbai
13 May 2021

Chalet Hotels & Properties (Kerala) Private Limited

‘Annexure A’ to the Independent Auditors’ Report - 31 March 2021

As regards the Annexure A referred to in the Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets including property, plant and equipment.
- (b) The Company has a regular programme of physical verification of its fixed assets including property, plant and equipment by which all fixed assets including property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The fixed assets have been fully depreciated and hence no verification was done during the year.
- (c) The Company did not own any immovable properties as at 31 March 2021 and hence, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company does not hold any inventory. Accordingly, the provisions of paragraph 3(ii) of the said Order are not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or made any investment, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including tax deducted at source have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees’ State Insurance, Profession tax, Income-tax, Goods and Services tax, Duty of customs, Duty of excise and Cess.

According to the information and explanations given to us, no undisputed statutory dues in respect of Income-tax were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

Chalet Hotels & Properties (Kerala) Private Limited

‘Annexure A’ to the Independent Auditors’ Report - 31 March 2021 (Continued)

- (b) According to the information and explanations given to us, there are no dues of Income-tax and Goods and services tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanation given to us, the Company did not have any outstanding loans or borrowings to any financial institutions, banks, government or outstanding dues to debenture holder during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

Chalet Hotels & Properties (Kerala) Private Limited

**‘Annexure A’ to the Independent Auditors’ Report - 31 March 2021
(Continued)**

- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Sd/-

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 21108511AAAACR7384

Mumbai
13 May 2021

Chalet Hotels & Properties (Kerala) Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2021

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

(Referred to in paragraph (A) (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

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

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

Management’s and Board of Director’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Chalet Hotels & Properties (Kerala) Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2021 (Continued)

Auditors' Responsibility (Continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to financial statements and their operating effectiveness. Our audit of internal financial controls with respect to financial statements included obtaining an understanding of internal financial controls with respect to 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Mansi Pardiwalla

Partner

Membership No: 108511

UDIN: 21108511AAAACR7384

Mumbai
13 May 2021

Chalet Hotels & Properties (Kerala) Private Limited

Balance Sheet

as at 31 March 2021

	Note	As at 31 March 2021	(Rs. in Hundreds) As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	-
Capital work-in-progress	4	-	-
Other non-current assets	5	-	-
Total non-current assets		-	-
Current assets			
Financial assets			
(i) Cash and cash equivalents	6	10,710	8,723
Total current assets		10,710	8,723
TOTAL ASSETS		10,710	8,723
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	27,78,777	27,78,777
Other equity	8	(31,00,612)	(30,48,687)
Total equity		(3,21,835)	(2,69,910)
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	9	-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
(i) Borrowings	10	3,30,505	2,75,672
(ii) Trade payables	11	-	-
(a) Total outstanding dues of micro enterprise and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,592	2,309
(ii) Other financial liabilities	12	448	652
Total current liabilities		3,32,545	2,78,633
TOTAL EQUITY AND LIABILITIES		10,710	8,723
Significant Accounting Policies	1-2		
The accompanying notes form an integral part of these financial statements	3 - 27		

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Mansi Pardiwalla

Partner

Membership No: 108511

Mumbai

13-May-21

Sd/-

Sanjay Sethi

Director

DIN: 00641243

Mumbai

13-May-21

Sd/-

Milind Wadekar

Director

DIN: 08627229

Sd/-

Saurabh Bandekar

Company Secretary

Membership No. A60746

For and on behalf of the Board of Directors of
Chalet Hotels & Properties (Kerala) Private Limited
(CIN: U55101KL2006PTC020125)

Chalet Hotels & Properties (Kerala) Private Limited

Statement of Profit and Loss

for the year ended 31 March 2021

		(Rs. in Hundreds)	
	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Other income	13	555	611
Total income (A)		555	611
Expenses			
Other expenses	15	31,508	21,665
Impairment of capital work in progress and capital advances		-	5,95,063
Total expenses (B)		31,508	6,16,728
Earnings before interest, depreciation, amortisation and tax (EBITDA) (A-B)		(30,953)	(6,16,117)
Depreciation and amortisation expenses	3	-	7
Finance costs	14	20,972	19,890
(Loss) before income tax (C)		(51,925)	(6,36,014)
Tax expense (D)			
Current tax	16	-	(3,826)
Deferred tax (credit)	9	-	(3,826)
(Loss) for the year (E) (C-D)		(51,925)	(6,32,188)
Other comprehensive (Expense)/Income			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurements of the defined benefit plans		-	-
Income tax Credit / (Expenses) on above		-	-
Other comprehensive (expense)/income for the year, net of tax (G)		-	-
Total comprehensive (expense)/income for the year (H) (F+G)		(51,925)	(6,32,188)
Earnings per equity share			
Basic	17	(0.19)	(2.28)
Diluted		(0.19)	(2.28)
Significant Accounting Policies	1-2		
Notes to the Financial Statements	3 - 27		

The accompanying notes form an integral part of these financial statements

As per our audit report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Chalet Hotels & Properties (Kerala) Private Limited
(CIN: U55101KL2006PTC020125)

Sd/-
Mansi Pardiwalla
Partner
Membership No: 108511

Sd/-
Sanjay Sethi
Director
DIN: 00641243

Sd/-
Milind Wadekar
Director
DIN: 08627229

Mumbai
13-May-21

Mumbai
13-May-21

Sd/-
Saurabh Bandekar
Company Secretary
Membership No. A60746

Chalet Hotels & Properties (Kerala) Private Limited

Statement of Cash Flows

as at 31 March 2021

(Rs. in Hundreds)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
(Loss) before tax	(51,925)	(6,36,014)
Adjustments for :		
Depreciation and amortisation	-	7
Finance costs	20,972	19,890
Impairment of Capital Work in Progress and capital advances	-	5,95,063
Total	20,972	6,14,960
Operating (loss) before working capital changes	(30,953)	(21,054)
Adjustments		
(Decrease) in Liabilities and Provisions	(921)	(157)
Total	(921)	(157)
Direct taxes paid (net)	-	-
NET CASH (USED IN) FROM OPERATING ACTIVITIES (A)	(31,874)	(21,210)
B. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from short-term borrowings	40,000	20,000
Repayment of short-term borrowings	(4,500)	-
Finance cost	(1,639)	(2,188)
NET CASH GENERATED FROM FINANCING ACTIVITIES (B)	33,861	17,812
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B)	1,987	(3,398)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	8,723	12,121
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	10,710	8,723

Notes:

1 The Statement of cash flows has been prepared under the "Indirect Method" as set out in (Ind AS) 7 on "Statement of cash flows", and presents cash flows by operating and financing activities.

2 Reconciliation of cash and cash equivalents with the balance sheet

Cash and cash equivalents (refer note 6)

Cash and cash equivalents as per statement of cash flows

	As at 31 March 2021	As at 31 March 2020
	10,710	8,723
	10,710	8,723

3 The movement of borrowings as per Ind AS 7 is as follows:

Opening borrowings

Proceeds / (Repayment) of short-term borrowings (net)

	For the year ended 31 March 2021	For the year ended 31 March 2020
	2,11,370	1,91,370
	35,500	20,000
	2,46,870	2,11,370

The accompanying notes form an integral part of these financial statements

As per our audit report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Chalet Hotels & Properties (Kerala) Private Limited
(CIN: U55101KL2006PTC020125)

Sd/-

Mansi Pardiwalla

Partner

Membership No: 108511

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Milind Wadekar

Director

DIN: 08627229

Mumbai

13-May-21

Mumbai

13-May-21

Sd/-

Saurabh Bandekar

Company Secretary

Membership No. A60746

Chalet Hotels & Properties (Kerala) Private Limited

Statement of Changes in Equity

as at 31 March 2021

(Rs. in Hundreds)

(a) Equity share capital

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the reporting year	27,78,777	27,78,777
Balance at the end of the reporting year	<u>27,78,777</u>	<u>27,78,777</u>

(b) Other equity

	Attributable to the owners of the Company	
	Retained earnings	Total
Balance at 1 April 2020	(30,48,687)	(30,48,687)
Total comprehensive income for the year		
Loss for the year	(51,925)	(51,925)
Total comprehensive income for the year	<u>(51,925)</u>	<u>(51,925)</u>
Balance at 31 March 2021	<u>(31,00,612)</u>	<u>(31,00,612)</u>
Balance at 1 April 2019	<u>(24,16,499)</u>	<u>(24,16,499)</u>
Addition during the year	-	-
Utilisation during the year	-	-
Loss for the year	(6,32,188)	(6,32,188)
Total comprehensive income for the year	<u>(6,32,188)</u>	<u>(6,32,188)</u>
Balance at 31 March 2020	<u>(30,48,687)</u>	<u>(30,48,687)</u>

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

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Chalet Hotels & Properties (Kerala) Private Limited

(CIN: U55101KL2006PTC020125)

Sd/-

Mansi Pardiwalla

Partner

Membership No: 108511

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Director

DIN: 08627229

Mumbai

13-May-21

Mumbai

13-May-21

Sd/-

Saurabh Bandekar

Company Secretary

Membership No. A60746

Chalet Hotels & Properties (Kerala) Private Limited

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

1 Background

The Company was incorporated in Thiruvananthapuram on 22.12.2006 as a Special Purpose Vehicle for the implementing the International Convention Centre Complex (ICCC) Project in a public private partnership with Department of Tourism Government of Kerala.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements.

Basis of preparation

2.1 Statement of compliance

The accompanying financial statements of Chalet Hotels (Kerala) Private Ltd (the Company) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 13th May, 2021.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest hundred, except for share data and as otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

2.3 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgment, estimates and assumptions are required in particular for:

Determination of the estimated useful lives

Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives of assets are different from as prescribed in Schedule II are based on technical advice, after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Recognition of deferred tax assets

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry-forward and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Chalet Hotels & Properties (Kerala) Private Limited

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

2 Significant accounting policies (Continued)

Going Concern

As at 31 March 2021, the Company's paid up capital and reserves were Rs. 321,835 hundreds and correspondingly, the Company's accumulated losses aggregated INR 3,100,612 hundreds. However, management believes that the Company will be able to continue operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future based on continued support, as required, from existing shareholders of the company.

Impairment of assets / advances

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss was recognised as an expense in the statement of profit and loss in financial year 2019-20.

2.5 Current / non-current classification

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

Assets

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 at least twelve months after the balance sheet date.

All other assets are classified as non-current.

Liabilities

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 at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

2.6 Property, plant and equipment

i. Recognition and measurement

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 or loss.

ii. Subsequent expenditure

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

Chalet Hotels & Properties (Kerala) Private Limited

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

2 Significant accounting policies (Continued)

iii. Depreciation

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 the assets made during the period is provided on pro-rata basis from / upto the date of each addition / deletion. Based on internal assessment and past experience the management believes the useful life of the assets are appropriate which are lower than those prescribed under Part C of Schedule II of the Companies Act, 2013. The useful lives of assets estimated by management is as follows:

Particulars	Useful Life (SLM)	Useful Life (Schedule II to the Act)
Plant and Machinery	10 years	15 years
Furniture and Fixtures	7 years	10 years

2.7 Capital work in progress

Capital work in progress represents the cost incurred in respect of areas under construction of the real estate development projects less impairment losses, if any.

2.8 Impairment of assets

In accordance with Ind AS 36 on 'Impairment of assets' as prescribed under the Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014, the Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognised in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

2.9 Revenue recognition

The Company adopts the accrual system of accounting. Revenue is recognized as and when there is a reasonable certainty of its ultimate realization.

2.10 Taxation

Income-tax expense comprises current tax and deferred tax charge or credit.

Current tax

Provision for current tax is based on the results for the year ended March 31, 2021, in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the Ind AS financial statements.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

Chalet Hotels & Properties (Kerala) Private Limited

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

2 Significant accounting policies (Continued)

Minimum Alternate Tax (MAT)

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of MAT under the Income-tax Act, 1961, the Company recognises MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

2.11 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the quarter by the weighted average number of equity and dilutive equity equivalent shares outstanding during the quarter, except where the results would be anti-dilutive.

2.12 Provision, contingent liabilities and contingent asset

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that the Company will be required to settle the present obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

Contingent liabilities are stated separately by way of a note. Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is not probable that a cash outflow will be required to settle the obligation. Contingent Assets are neither recognised nor disclosed.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement : Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following :

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Chalet Hotels & Properties (Kerala) Private Limited

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

2 Significant accounting policies (Continued)

Amortised Cost :

A financial asset is classified and measured at amortised cost if both of the following conditions are met :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI :

A financial asset is classified and measured at FVTOCI if both of the following conditions are met :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL :

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Classification and Subsequent measurement : Financial Liabilities

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

Financial Liabilities at FVTPL :

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

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

Other Financial Liabilities :

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Chalet Hotels & Properties (Kerala) Private Limited

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

2 Significant accounting policies (Continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Assets and Financial Liabilities :

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.15 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial asset and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team 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 valuation should be classified.

When measuring the fair value of an asset or a 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 environment.

2.16 Financial guarantee contracts

The Company on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Company has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Company performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognized in profit or loss.

2.17 Operating segments

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. All operating segments' operating results are reviewed regularly by the board to make decisions about resources to be allocated to the segments and assess their performance.

There are no reporting segments as at balance sheet date in the Company.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

Note 3

Property, plant and equipment

Reconciliation of carrying amount

as at 31 March 2021

(Rs. in Hundreds)

Particulars	Gross block			Accumulated depreciation/ amortisation				Net block	
	Opening balance as at 1 April 2020	Additions	Deductions	Closing balance as at 31 March 2021	Opening balance as at 1 April 2020	For the year	Deductions	Closing balance as at 31 March 2021	As at 31 March 2021
Tangible assets									
Plant and machinery	33	-	-	33	33	-	-	33	-
Furniture and fixtures	7	-	-	7	7	-	-	7	-
Total	40	-	-	40	40	-	-	40	-

as at 31 March 2020

(Rs. in Hundreds)

Particulars	Gross block			Accumulated depreciation				Net block	
	Opening balance as at 1 April 2019	Additions	Deductions	Closing balance as at 31 March 2020	Opening balance as at 1 April 2019	For the year	Deductions	Closing balance as at 31 March 2020	As at 31 March 2020
Tangible assets									
Plant and machinery	33	-	-	33	25	7	-	33	-
Furniture and fixtures	7	-	-	7	7	-	-	7	-
Total	40	-	-	40	32	7	-	40	-

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

Note 4

Capital work-in-progress

(Rs. in Hundreds)

Details of capital work-in-progress

Particulars	31 March 2021	31 March 2020
Opening balance	5,77,086	5,77,086
Add: Additions during the year	-	-
Less: Impairment of Capital work in progress	(5,77,086)	(5,77,086)
Less: Capitalised during the year	-	-
Closing balance	-	-

There was delay in implementation of International Convention Centre Complex (ICCC) Project as the Department of Tourism (DOT), Government of Kerala (GOK) is yet to contribute land for the project as the Company's equity contribution in kind. The management believes the project to be viable. During the year ended 31 March 2020, as there were conditions of uncertainty, the Company had taken a prudent and conservative call to write off capital work in progress without prejudicing the going concern.

In view of this delay, the Company has further extended the performance guarantee given to the DOT, GOK, for a period up to March 12, 2022. The Company has ceased capitalisation of borrowing cost with effect from the financial year 2014-15.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Particulars

As at 31 March 2021

As at
31 March 2020

Note 5

Other non-current assets

Capital advances

(Unsecured, considered doubtful)

Capital advances -other than related parties

Less: Impairment of Capital advances

17,977

17,977

(17,977)

(17,977)

-

-

Note 6

Cash and cash equivalents

As at 31 March 2021

As at
31 March 2020

Balance with banks

- Current accounts

Cash on hand

10,579

8,626

131

97

10,710

8,723

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

Note 7 Share capital (Rs. in Hundreds)

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

Particulars	31 March 2021	31 March 2020
(i) Authorised		
28,000,000 (31 March 2020: 28,000,000) Equity Shares of Rs. 10 each	28,00,000	28,00,000
(ii) Issued, subscribed and paid-up		
27,787,770 (31 March 2020: 27,787,770) Equity Shares of Rs. 10 each	27,78,777	27,78,777
Total	27,78,777	27,78,777

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Equity shares				
Number of equity shares outstanding at the beginning of the year	2,77,87,770	27,788	2,77,87,770	27,78,777
Add:				
Fresh issue	-	-		
Number of equity shares outstanding at the end of the year	2,77,87,770	27,788	2,77,87,770	27,78,777

(c) Registered shareholder holding more than 5% equity shares in the Company is set out below:

Particulars	31 March 2021		As at 31 March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chalet Hotels Limited	2,50,09,000	90.00%	2,50,09,000	90.00%
K Raheja Corp Private Limited	27,78,770	10.00%	27,78,770	10.00%
	2,77,87,770	100.00%	2,77,87,770	100.00%

(d) Rights, preferences and restrictions attached to equity shares.

Equity Shares

The company has one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. All equity shareholders are eligible to receive dividend in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Note 8

As at 31 March 2021

As at
31 March 2020

Other equity

Retained earnings

Retained earnings balance at the beginning of the year

(30,48,687)

(24,16,499)

Add: Loss for the year

(51,925)

(6,32,188)

At the end of the year

(31,00,612)

(30,48,687)

(31,00,612)

(30,48,687)

Nature and purpose of reserves

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

Note 9

Movement in deferred tax balances

Movement in deferred tax balances for the year ended 31 March 2021

(Rs. in Hundreds)

	Net balance 1 April 2020	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance 31 March 2021
Deferred tax asset/(liabilities)					
Property, plant and equipment	-	-	-	-	-
Deferred tax assets/(liabilities)	-	-	-	-	-

Movement in deferred tax balances for the year ended 31 March 2020

-3825.5

	Net balance 1 April 2019	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance 31 March 2020
Deferred tax asset/(liabilities)					
Property, plant and equipment	3,826	(3,826)	-	-	-
Deferred tax assets/(liabilities)	3,826	(3,826)	-	-	-

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

(ii) Unrecognised deferred tax assets

Deferred tax assets have been recognised only to the extent of Deferred tax liability accounted in books. Deferred tax asset is not recognised considering full losses incurred by Company till date because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom.

Movement in deferred tax balances for the year ended 31 March 2021

(Rs. in Hundreds)

Particulars	March 31, 2021		March 31, 2020	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	-		5,909	31-Mar-21
Business loss	-		6,355	31-Mar-22
Business loss	-		810	31-Mar-23
Business loss	-		648	31-Mar-24
Business loss	-		280	31-Mar-26
Business loss	3,122	31-Mar-26	2,576	31-Mar-27
Depreciation loss	-		9,256	NA

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Particulars	As at 31 March 2021	As at 31 March 2020
Note 10		
Short Term Borrowings		
Unsecured		
From related parties	3,30,505	2,75,672
	3,30,505	2,75,672

Note : Loan is repayable on demand. Interest charged for the period/year ended 31 March 2021 @ 9.50% (31 March 2020 @ 10%).

A) Terms of repayment

Rate of interest

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2021	Carrying rate of Interest As at 31 March 2020	Repayment/ Modification of terms	Security Details
From Related Parties					
K Raheja Corp Private Limited	NA	9.50%	10.00%	On Demand	Unsecured

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Note 11	As at 31 March 2021	As at 31 March 2020
Trade payables		
Total outstanding dues of micro enterprise and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,592	2,309
	1,592	2,309

Note 12		
Current - Other financial liabilities		
Statutory dues payable*	448	652
	448	652

*Statutory dues payable includes TDS payable

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Rs. in Hundreds)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 13		
Other income		
Miscellaneous income	555	611
	555	611
Note 14		
Finance costs		
Interest expenses	20,972	19,890
	20,972	19,890
Note 15		
Other expenses		
Travelling and conveyance expenses	310	539
Power and fuel	139	155
Legal and professional charges	3,574	6,972
Payment to auditors (refer note 20)	465	400
Security Expenses	12,319	12,319
Bank charges*	13,177	-
Miscellaneous expenses	1,524	1,280
	31,508	21,665

* Bank charges includes bank guarantee charges on guarantee extended by parent company, Chalet Hotels Limited

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

Note 16

Tax expense

(Rs. in Hundreds)

(a) Amounts recognised in statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current income tax expense		
Deferred income tax liability / (asset), net		
Utilisation of previously unrecognised tax losses	-	(3,826)
Deferred tax credit	-	(3,826)
Tax credit for the year	-	(3,826)

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	-	-	-	-	-	-
	-	-	-	-	-	-

(c) Amounts recognised directly in equity

	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred income tax asset, net	-	-

(d) Reconciliation of effective tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss before tax	(51,925)	(6,36,014)
Company's domestic tax rate	25.75%	25.75%
Tax using the Company's domestic tax rate	(13,371)	(1,63,774)
Tax effect of:		
Expenses not allowed under tax	13,514	1,53,230
Current year loss not creating deferred tax	-	6,718
Income not subject to tax	(143)	-
	0	(3,826)

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

Note 17

Earnings per share

(Rs. in Hundreds)

Calculation of weighted average number of equity shares - Basic and diluted		31 March 2021	31 March 2020
Particulars			
1	Loss attributable to equity shareholders	(51,925)	(6,32,188)
2	Calculation of weighted average number of equity shares - Basic and diluted		
(a)	Number of shares at the beginning of the year	2,77,87,770	2,77,87,770
(b)	Add: on account of shares issued during the year	-	-
(c)	Number of equity shares outstanding at the end of the year	2,77,87,770	2,77,87,770
	Weighted average number of equity shares outstanding during the year	2,77,87,770	2,77,87,770
3	Earnings per share (Rs.)		
	Basic	(0.19)	(2.28)
	Diluted	(0.19)	(2.28)
4	Nominal value of shares (Rs.)	10	10

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Note 18

Contingent liabilities and commitments (to the extent not provided for)

	31 March 2021	31 March 2020
Contingent liabilities		
<i>Claims against the Company not acknowledged as debts</i>		
Performance Guarantees given to Department of Tourism of Kerala	5,00,000	5,00,000

Note 19

Capital Commitments

	31 March 2021	31 March 2020
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,67,000	1,67,000

Note 20

Dues to micro and small suppliers

During the year, Micro small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same.

	31 March 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year.		
Principal	-	-
Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 21

Payment to auditors

Particulars	31 March 2021	31 March 2020
Audit fees	454	400
Out of pocket expenses	11	-
Amount debited to Statement of Profit and Loss	465	400

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Note 22

Financial instruments - Fair values and risk management

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2021	Carrying amount			Fair value			Total
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	
Current financial assets							
Cash and cash equivalents	-	10,710	10,710	-	-	-	-
	-	10,710	10,710	-	-	-	-
Current financial liabilities							
Borrowings	-	3,30,505	3,30,505	-	-	-	-
Trade payables	-	1,592	1,592	-	-	-	-
Other financial liabilities	-	448	448	-	-	-	-
	-	3,32,545	3,32,545	-	-	-	-

Financial instruments - Fair values and risk management (Continued)

31 March 2020	Carrying amount			Fair value			Total
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	
Current financial assets							
Cash and cash equivalents	-	8,723	8,723	-	-	-	-
	-	8,723	8,723	-	-	-	-
Current financial liabilities							
Borrowings	-	2,75,672	2,75,672	-	-	-	-
Trade payables	-	2,309	2,309	-	-	-	-
Other financial liabilities	-	652	652	-	-	-	-
	-	2,78,633	2,78,633	-	-	-	-

Financial instruments - Fair values and risk management (Continued)

Financial risk management

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

- Credit risk ;
- Liquidity risk;
- Market risk;

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

Note 22

Financial instruments – Fair values and risk management (Continued)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure. There are no financial assets other than Cash and Bank balance to determine credit risk.

(a) Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Note 22

Financial instruments – Fair values and risk management (Continued)

(C) Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2021	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings	-	-	-	-	-	-
Current, non derivative financial liabilities						
Borrowings	3,30,505	3,30,505	3,30,505	-	-	-
Trade payables	1,592	1,592	1,592	-	-	-
Other current financial liabilities	448	448	448	-	-	-
Total	3,32,545	3,32,545	3,32,545	-	-	-

31 March 2020	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings	-	-	-	-	-	-
Current, non derivative financial liabilities						
Borrowings	2,75,672	2,75,672	2,75,672	-	-	-
Trade payables	2,309	2,309	2,309	-	-	-
Other current financial liabilities	652	652	652	-	-	-
Total	2,78,633	2,78,633	2,78,633	-	-	-

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

Note 22

Financial instruments – Fair values and risk management (Continued)

(D) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instruments fluctuate because of change in market prices. The Company has insignificant exposure to market risk as it is debt free at the end of the reportind period and does not have an exposure to foreign currency transactions.

(E) Currency risk

There is no currency risk to the Company since there are no foreign currency transactions.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Note 23

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at is as follows:

Particulars	31 March 2021	31 March 2020
Total borrowings	3,30,505	2,75,672
Less: Cash and cash equivalents	10,710	8,723
Adjusted net debt	3,19,795	2,66,949
Total equity	(3,21,835)	(2,69,910)
Adjusted net debt to adjusted equity ratio	-0.99	-0.99

Note 24

Segment reporting

As the Company's business activity falls within single primary business segment and one geographical segment, the segment information is not provided.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Ind AS Financial Statements (Continued)

as at 31 March 2021

(Rs. in Hundreds)

Note 25

Related Party Disclosures

Disclosures as required by the Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” are made below:

(A) Name of the related parties and description of relationship:

Holding Company:	Chalet Hotels Limited
Joint Venture Partner	K Raheja Corp Private Limited
Key Managerial Personnel	Sanjay Sethi, Director
Key Managerial Personnel	Rajeev Newar, Director (Resigned w.e.f. August 19, 2020)
Key Managerial Personnel	Milind Wadekar, Director (w.e.f. August 19, 2020)
Key Managerial Personnel	Anand Chandan, Director
Key Managerial Personnel	Vishal Masand, Director

(B) Transactions during the year ended March 31, 2021

Nature of Transaction	Name of The Related Party	Transaction for the year ended 31 March 2021	Transaction for the year ended 31 March 2020
Loan Borrowed	Chalet Hotels Limited	4,500	-
Loan Borrowed	K Raheja Corp Private Limited	35,500	20,000
Loan Repaid	Chalet Hotels Limited	4,500	-
Interest	K Raheja Corp Private Limited	20,900	19,890
Interest	Chalet Hotels Limited	72	-

Footnote:

(1) Reimbursement of cost is not included in the above.

(C) Balances outstanding

Balance Outstanding	Name of The Related Party	As at 31 March 2021	As at March 31, 2020
Outstanding Loan Balance	K Raheja Corp Private Limited	3,297	2,11,370
Interest Payable	K Raheja Corp Private Limited	836	64,302

The holding company of the Company, Chalet Hotels Limited has given letter confirming its commitment to provide financial support in order to meet the shortfall in its fund requirement over banks and for its working capital requirement which will enable it to operate and settle its liabilities and obligations as and when they become due and payable for a period not less than 12 months from the date of financial closure of the accounts of the Company for the year ended 31 March 2021.

Also, the lender K. Raheja Corp Private Limited has provided a letter confirming that it shall not demand repayment of outstanding loan along with interest for next 12 months.

Note 26

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

Note 27

Impact of COVID-19 Pandemic

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, property plant and equipment, etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as current contract terms, financial strength of partners, etc. However, the management concludes that there are no material adjustments required in the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Mansi Pardiwalla
Membership No : 108511
Partner

Place: Mumbai
13-May-21

For and on behalf of the Board of Directors
Chalet Hotels & Properties (Kerala) Private Limited
(CIN: U55101KL2006PTC020125)

Sd/-

Sanjay Sethi
DIN: 00641243
Director

Place: Mumbai
13-May-21

Sd/-

Milind Wadekar
DIN: 08627229
Director

Sd/-
Saurabh Bandekar
Company Secretary
Membership No. A60746