



**4<sup>th</sup> September, 2019**

**To  
The General Manager,  
Department of Corporate Services  
BSE Limited  
P.J. Towers, Dalal Street,  
Fort, Mumbai – 400001.**

**Sub: Submission of Annual Report for the financial year 2018-2019.**

Dear Sir/ Madam,

With reference to the subject captioned above and pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015, Please find enclosed herewith 36<sup>th</sup> Annual Report of the Company for the financial year 2018-19.

We request to take on record the above said report and disseminate the same on the website of stock exchange.

Kindly note the same and acknowledge the receipt.

Thanking you  
Yours truly,

**FOR SAYAJI HOTELS LIMITED**

  
**AMIT SARRAF  
COMPANY SECRETARY**

# 36<sup>th</sup> Annual Report

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2018 - 19



SAYAJI HOTELS LIMITED



## SHRI SAJID DHANANI

24th May 1966 - 11th November 2012

Late Shri Sajid Dhanani, former Managing Director of Sayaji Group of Hotels, was the true debonair and ingenious entrepreneur of the hospitality industry. An astute businessman with a visionary acumen, he introduced several innovations in his hotels, which have now become industry standard for excellence.

With the opening of first Sayaji Hotel in Baroda, new milestones were subsequently achieved with the launch of more hotels in Indore, Pune, Kolhapur, and Bhopal, and the chain of Barbeque Nation restaurants across India.

Mr. Dhanani or Sajid Bhai as he was affectionately known, believed in two mottoes - "Change is the rule of the Game" and "Customer First". He instated these values in every step of the Sayaji saga. He lived his life serving and providing the very best facilities to his guests and positioned Sayaji as the only hotel chain in the world that calls itself "truly yours".

## BOARD OF DIRECTORS

- |                                  |                       |
|----------------------------------|-----------------------|
| • Shri T.N. Unni                 | - Chairman            |
| • Shri Raoof Razak Dhanani       | - Managing Director   |
| • Smt. Suchitra Dhanani          | - Whole Time Director |
| • Shri Abhay Chintaman Chaudhari | - Director            |
| • Shri Kayum R. Dhanani          | - Director            |
| • Shri Saquib Agboatwala         | - Director            |

## STATUTORY AUDITORS

- M/s. K.L. Vyas & Co.  
Chartered Accountants  
Shop No. 2, IInd Floor, Parshwanath,  
Dawa Bazar, 6th Hazareashwar Colony, Udaipur - 313001

## REGISTRAR AND SHARE TRANSFER AGENT (RTA)

- Link Intime India Pvt. Limited.  
C-101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai - 400083  
e-mail: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)  
Phone(022) 49186000, Fax: (022) 49186060

## BANKERS

- |   |                             |
|---|-----------------------------|
| • State Bank of India                       | • Axis Bank Ltd.            |
| • Tourism Finance Corporation of India Ltd. | • Aditya Birla Finance Ltd. |

## REGISTERED OFFICE

- F1 C2 Sivavel Apartment, 2 Alagappa Nagar,  
Zamin Pallavaram, Chennai Tamil Nadu - 600117  
Phone : 044-29871174  
E-mail : [cs@sayajigroup.com](mailto:cs@sayajigroup.com)

## CORPORATE OFFICE

- Amber Convention Centre,  
Bypass Road, Near Best Price, Hare Krishna Vihar, Nipania,  
Indore - 452 010 (MP)  
Phone : 0731-4750000

## CORPORATE IDENTITY NUMBER (CIN)

- L51100TN1982PLC124332

## MAP SHOWING LOCATION OF THE VENUE OF 36th ANNUAL GENERAL MEETING OF SAYAJI HOTELS LIMITED

### Venue:

Flat in Block No. C-3, Door No. F1 (C3/F1),  
in Siva Vel Apartment, No. 2,  
Alagappa Nagar, Zamin Pallavaram,  
Chennai – 600 117 Tamil Nadu



Source: Google Map

Landmark: Near Shell Petrol Bunk

Distance from Chennai Central Railway station: 25 Km

Distance from Chennai Airport, Meenambakkam: 7.2 Km

Source: Google Map



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**Date** : September 28, 2019  
**Day** : Saturday  
**Time** : 11.00 A.M.  
**Venue** : Flat in Block No. C-3, Door No. F1 (C3/F1)  
in Siva Vel Apartment, No. 2, Alagappa Nagar,  
Zamin Pallavaram, Chennai – 600117 Tamil Nadu  
**Book Closure Date** : From September 9th, 2019 to September 10th, 2019  
(both days inclusive)

## NOTICE

**NOTICE** is hereby given that the **36th Annual General Meeting** of the Members of Sayaji Hotels Limited will be held on **Saturday the 28th Day of September, 2019 at 11.00 A.M.** at the Venue situated at Flat in Block No. C-3, Door No. F1 (C3/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117 Tamil Nadu to transact the following businesses:

### ORDINARY BUSINESS:

- To receive, consider and adopt:
  - The Standalone Financial Statements of the Company for the year ended on March 31, 2019, containing the audited Balance Sheet, the statement of change in the equity, Profit and Loss and Cash Flow and report of the Board and Auditors thereon on that date.
  - The Consolidated Financial Statements of the Company for the year ended on March 31, 2019, containing the audited Balance Sheet, the statement of change in the equity Profit and Loss and Cash Flow and report of the Auditors there on that date.
- To appoint Director in place of **Mrs. Suchitra Dhanani (DIN-00712187)**, who retires by rotation and, being eligible, seeks re-appointment.

### SPECIAL BUSINESS :

- To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152 and other applicable provisions of the Companies Act, 2013 and the Company (Appointment and Qualification of Directors) Rules, 2014 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, **Mr. Saquib Salim Agboatwala (having DIN 06611659)** who was appointed as an additional director (Independent Category) by the Board with effect from 14th Feb.,2019, pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds the office of the director up to the date of this annual general meeting, who being eligible, offers himself for appointment and furnished a declaration confirming his independency and the board considered that he fulfils the eligibility criteria of independence be and is hereby appointed as a director (Independent Category) to hold office for 5 (Five) consecutive years from 14th Feb., 2019 to 13th Feb, 2024 and not be liable to retire by rotation.”

- To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as an **Special Resolution**.

**“RESOLVED THAT** in accordance with Regulation 24 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and the provisions of section 188 any other applicable provision of the Companies Act, 2013, the rules thereunder, including any statutory modifications and amendments to each of the foregoing, and subject to the Memorandum and Articles of Association of the Company, the consent, approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall include any committee of directors constituted by the Board) to sell or transfer or otherwise dispose of its entire investment of the 68,93,998 (Sixty Eight Lakhs Ninety Three Thousand Nine Hundred Ninety Eight) Equity Shares of Rs 10/- held by the Company in Malwa Hospitality Pvt. Ltd. at the total consideration of Rs. 6,89,39,980/- at a price of Rs. 10/- per share to the existing directors, shareholders, promoters and

S. No.	Name	Designation / Position	Number of Shares to be sold	Total Amount in (Rs.)
1.	Mrs. Suchitra Dhanani	Director	1685998	16859980
2.	Mr. Kayum Dhanani	Member	1836000	18360000
3.	Mrs. Saba Raoof Dhanani	Member	562000	5620000
4.	Mrs. Sadiya Raoof Dhanani	Member	562000	5620000
5.	Mrs. Sumera Raoof Dhanani	Member	562000	5620000
6.	Mr. Azhar Yusuf Dhanani	Member	843000	8430000
7.	Mr. Zuber Yusuf Dhanani	Member	843000	8430000
	<b>Total</b>		<b>6893998</b>	<b>68939980</b>

relative of the directors as follows:

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to do and to authorize any one of them to do the needful on its behalf all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purposes of giving effect to this Resolution.”

**By Order of the Board**

**Corporate Office:**  
**Amber Convention Centre**  
**Bypass Rd, Near Best Price,**  
**Hare Krishna Vihar, Nipania,**  
**Indore, Madhya Pradesh - 452010**

**Amit Sarraf**  
**Company Secretary**  
**FCS - 28573**

**Date : 13.08.2019**

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN THE PRESCRIBED FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the Notice will be transacted through electronic remote e-voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 22.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, except Sundays between 11.00 A.M. to 6.00 P.M. up to the date of meeting.
7. The Company has decided for closure of Register of Members and Share Transfer Books from 9th September, 2019 to 10th September, 2019 (both days inclusive).
8. (a) Members are requested to notify immediately any change of address;
  - (i) To their Depository Participants (DPs) in respect of their electronic share accounts; and
  - (ii) To the Company to its Share Transfer Agents in respect of their physical shares Folios, if any.

- (b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.

- (c) Non-resident Indian Shareholders are requested to inform Share Transfer Agents Immediately:

- (i) Change in the residential status on return to India for permanent settlement.
- (ii) The particulars of NRE Account with Bank in India, if not furnished earlier.

9. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer agent of the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
10. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
11. The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/Investors having their depository account. The ISIN for the Equity Shares of the Company is INE318C01014. In case of any query/ difficulty in any matter relating thereto may be addressed to the Share Transfer Agents: Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083
12. As per the provisions of the Companies Act, 2013, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-SH 13 prescribed by the Government can be obtained from the Share Transfer Agent or may be download from the website of the Ministry of Company affairs.
13. Pursuant to the provisions of section 124(5) and 125 of the Companies Act, 2013, the Company is not having any amount due for transfer to the IEPF Authority of the Central Government as well as share for transfer to the IEPF Authority due to unpaid or unclaimed dividends for a continuous period of seven years.
14. The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining



their D-mat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Link Intime India Pvt. Ltd.

It may please be noted that as per the SEBI (LODR) Regulations amended in 2018, the members holding shares in the physical form are required to notify their PAN and Bank Mandate details to the Registrar and Share Transfer Agent of the Company as earliest. The Company has already sent a letter through registered post to the shareholders holding shares in the physical form and already sent 2 further reminders after a gap of thirty days.

Further that the Company has also sent letters through registered post informing that, the shareholders holding their shares in the physical form that if the shares held in the physical form shall not be transferable in the physical form after 1st April, 2019, except for transmission thereof.

15. Pursuant to the requirement of SEBI (LODR) Regulation, 2015, profile of the Directors proposed for appointment/re-appointment being given in a statement containing details of the concerned Directors is attached hereto.
16. The Rule 18 of the Companies (Management and Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules, 2014 allows companies to send notice of the annual general meeting, annual report and other communication through electronic mode at the registered email address of the members/ beneficiaries, keeping in view the underlying objective, Members who hold shares in physical form and desired to receive the documents in electronic mode are requested to please promptly provide their details (name, LF No., email ID) to the Registrar and Share Transfer agent of the Company.
17. Your the Company henceforth effect electronic delivery of communication/ documents including the notice of the Annual General Meeting, Annual Reports and such other necessary communication/documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP).
18. E-mail addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, and will be deemed to be your registered e-mail address for serving the necessary communication/ documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members who wish to inform any updations/changes of their e-mail address, are requested to promptly update the same with their DP.

19. The annual report and other communications/documents sent electronically would also be displayed on the Company's website: [www.sayajihotels.com](http://www.sayajihotels.com) as a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you.
20. We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, as the case may be, in the interest of the environment.
21. The Preference Shareholders (for 1000000 Preference Shares of Rs. 100/- each) also has voting rights in terms of provisions of Section 47 of the Companies Act, 2013 due to nonpayment of dividend for a continuous period of 2 years. The Preference Shareholders shall have the same voting right in proportion to their share in the total paid up capital of the Company. Since the nominal value of one Preference Shares is Rs. 100/- therefore each vote of the Preference Shareholders for their each Preference Share will be equal to 10 vote of the equity shares. Further, all the Preference Share are held by the promoters and the relative of the promoters of the Company and they have relinquished their voting rights in the interest of the equity shareholders/ Company.

## **22. Voting through electronic means**

- (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to member's the facility to exercise their right to vote at the 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL.

## **(II) Procedure and instructions for e-voting are as follows:**

- (i) The voting period begins on 24th September, 2019 at 9:00 A.M. and ends on 27th September, 2019 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are

eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e. **"Sayaji Hotels Ltd."** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up share capital of the Company as on the cut-off date of 21.09.2019.
- IV. Mr. Neelesh Gupta proprietor of M/s Neelesh Gupta & Co., Company Secretary, whole time in Practice (ICSI Membership No. FCS 6381) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall immediately after conclusion of the Annual General Meeting and counting the votes casted in the meeting unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- VI. The Results shall be declared after submission of report by Scrutinizer to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sayajihotels.com](http://www.sayajihotels.com) and on the website of CDSL and communicated to the BSE Limited.

#### REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT/RE-APPOINTMENT

Name and Designation of Appointee	Age / Qualifications	Expertise/ Experience	Date of appointment	No. of Other Directorship	No. of shares held & %age
Saqib Salim Agboatwala (Independent Director)	51 Yrs. Chartered Accountants	Accounts, Finance and Audit.	Appointed as additional director w.e.f. 14.02.2019 (Independent category).	2	Nil
Suchitra Dhanani (Whole-Time Director)	53 Yrs. Bachelor's degree in Home science and qualified as Master in Social Works.	Hotel Management and Administration.	06.02.2014	9	280029 Equity Shares of Rs. 10/- each (1.60%)  125000 Preference Shares of Rs. 100/- each (12.50%)

**Corporate Office:**  
**Amber Convention Centre**  
**Bypass Rd, Near Best Price,**  
**Hare Krishna Vihar, Nipania,**  
**Indore, Madhya Pradesh - 452010**  
**Date : 13.08.2019**

**By Order of the Board**  
**Amit Sarraf**  
**Company Secretary**  
**FCS - 28573**

## ANNEXURE TO THE NOTICE

### (Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of Special Business)

#### Item No. 3:

The Board of directors on the recommendation of the nomination & remuneration committee has appointed **Mr. Saquib Salim Agboatwala (DIN06611659)** as an additional director of the Company w.e.f. 14th February, 2019 in the category of Independent Director. In accordance with section 161(1) of the Companies Act, 2013, Mr. Agboatwala holds office up to the date of this Annual General Meeting and is eligible for appointment as a director of the Company in the category of Independent Director.

Mr. Agboatwala aged 51 Years is a Chartered Accountant and Quality Control Auditor – certified by Bureau Veritas Quality International (BVQI). Initially Mr. Agboatwala worked in Ernst & Young from Dec. 1994 to June 1996 he also served as President of the Jeddah Chapter of the Institute of Chartered Accountants of India and member of Saudi India Business Forum.

From July 1996 to Sept 2000, Mr. Agboatwala worked as Finance Manager & Quality Management Representative in Arabian Computer Projects Company Limited (formerly a division of IBM Saudi Arabia). Subsequently he worked as Senior Financial Officer during the period of Oct. 2000 to June 2008 in Heidelberg Middle East Group of Companies (HDMEG) in Jeddah, Saudi Arabia. Lastly he worked as Senior Finance Manager in Acwa Power (Dubai, UAE) from July 2010 to May 2011.

Presently he has own firm “Oasis Consulting” which has two offices one in Mumbai and another one in Dubai. Oasis is serving as a Consultant and Business Advisors to their clients in india as well in overseas.

In terms of the provisions of section 149 of the Companies Act, 2013 an independent director can hold office for a term up to 5 consecutive years on the Board of a Company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. Agboatwala that he meets the criteria of independence as prescribed both under section 149(6) and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

In the opinion of the Board Mr. Agboatwala fulfills the criteria and conditions for his appointment as an Independent Director as

specified in the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Copy of the draft letter for appointment of Mr. Agboatwala as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company. The Board of Directors recommend the ordinary resolution set out at Item No. 3 of the Accompanying Notice for the approval of the members.

Except Mr. Agboatwala, none of the directors, key managerial personal of the Company and their relative are concerned or interested in this resolution. However, Mr. Agboatwala may be deemed to be financially interested to the extent of the sitting fee paid to him, except that he is not having any other interest or concern in the Company.

#### Item No. 4:

The Company holds 68, 93,998 Equity shares of Rs. 10/- each in its material subsidiary viz. Malwa Hospitality Private Limited (“MHPL”). In the meeting of the Board of Directors held on 13.08.2018, it was decided to sell entire stake of the MHPL to the Directors, Relative of Directors and Promoters of the Company at a consideration of Rs. 10/- each per shares. The valuation report of the shares of MHPL was obtained from M/s S. N. Gadiya & Co., Chartered Accountants. As per the Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no company can dispose of the investment in the shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease to exercise of control over the subsidiary without passing a special resolution in its General Meeting. Accordingly, the Board of Directors recommends the **Special Resolution set out as Item No. 4** in the Notice for approval of members, as they feel the same to be in the interest of the Company.

Mrs. Suchitra Dhanani, Mr. Kayum Razak Dhannai, Mr. Raoof Razak Dhanani, Promoters and their relatives may be deemed to be concerned or financially interested in the Item Nos. 4 of the accompanying notice.

#### Corporate Office:

**Amber Convention Centre  
Bypass Rd, Near Best Price,  
Hare Krishna Vihar, Nipania,  
Indore, Madhya Pradesh - 452010  
Date : 13.08.2019**

#### By Order of the Board

**Amit Sarraf  
Company Secretary  
FCS - 28573**

## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

**To,  
THE MEMBERS OF  
SAYAJI HOTELS LIMITED**

Your Directors are pleased to present their 36th Annual Report together with its Audited consolidated and standalone Financial Statements for the financial year ended March 31, 2019.

### STATEMENT OF AFFAIRS

During the year under review, on standalone basis the total revenue in the year 2019 has increased by 13.76% (from Rs. 19396.85 Lakhs in 2018 to Rs. 22066.16 Lakhs in 2019). This was mainly due to opening of the new hotel unit and good performance of the existing hotels. The Losses after Tax is also decreased by 26.91% (from Rs. (423.46) Lakhs to Rs. (309.49) Lakhs). On consolidated level the total revenue was increased by 14.18% (from Rs. 21869.25 Lakhs to Rs. 24,971.43 Lakhs).

Particulars	Standalone (Rs. in Lakhs)		Consolidated (Rs. in Lakhs)	
	Current Financial Year 31.03.2019	Previous Financial Year 31.03.2018	Current Financial Year 31.03.2019	Previous Financial Year 31.03.2018
Revenue from Operations	21824.54	19150.44	24441.09	21581.97
Other Income	241.62	246.41	530.34	278.28
Profit/loss before Depreciation, Finance, costs, Exceptional items and tax expense	3783.98	3420.30	4688.20	4002.76
Less: Depreciation/Amortization/Impairment	2001.31	2045.36	2439.64	2374.53
Profit/Loss before Finance cost, Exceptional items and Tax Expense	1782.67	1374.94	2248.56	1628.23
Less: Finance Costs	1591.45	1374.94	1875.04	1628.23
Profit/loss before Exceptional items and Tax Expense	191.22	(376.45)	373.52	(257.78)
Add/(less): Exceptional items	184.89	0	184.89	0
Profit /Loss before Tax Expense and Share of Profit/(Loss) of the Associates	6.33	(376.45)	188.63	(257.78)
Share of Profit/(Loss) of the Associates	-	-	(1232.91)	193.94
Profit /Loss before Tax Expense	6.33	(376.45)	(1,044.28)	(63.84)
Less : Tax Expense Current & Deferred	315.82	47.01	284.17	325.27
Profit/ loss for the year (1)	(309.49)	(423.46)	(1328.45)	(389.11)
Total Comprehensive Income/loss(2)	20.03	60.98	21.86	56.10
Total (1+2)	(289.46)	(362.48)	(1306.59)	(333.01)



## DIVIDEND

Your Directors have considered it prudent to not recommend any dividend for the financial year 2018-19 in the view of ongoing and upcoming expansion of its projects in different parts of the Country and diversifying its business by identifying new opportunities.

## SHARE CAPITAL

Particulars	Amount
Authorized Share Capital	Rs. 4000.00 Lakhs
- Paid Up Equity Share Capital	Rs. 1751.80 Lakhs
- Preference Shares Capital	Rs. 1000.00 Lakh
Aggregate Paid Up Capital	Rs. 2751.80 Lakhs

During the year under review, the Company has not issued shares with differential voting right nor granted stock option not sweat equity. The Company's equity shares are listed with the BSE Ltd. and available for trading at the platform of BSE Ltd.

## FINANCE

Cash and cash equivalent as at 31st March, 2019 was Rs. 411.54 Lakhs. The Company continues to focus on judicious management of its working capital, receivables, and inventories. The working capital parameters were kept under strict check through continuous monitoring.

## DEPOSITS

In terms of the provisions of Sections 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits by Companies) Rules, 2014, the Company had no opening or closing balances and during the year under review, the Company has also not accepted any public deposits and as such, no amount of principal or interest was outstanding as on March 31, 2019.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has disclosed the full particulars of the loans given, investments made or guarantees or security provided as required under section 186 of the Companies Act, 2013 and Regulation 34(3) and **Schedule V** of the SEBI (LODR) Regulations, 2015 in Notes to the financial statements attached with this Board Report.

However, the Company is not providing infrastructural facilities as per **Schedule VI** of Companies Act, 2013, hence, Section 186 of the Act is not applicable wholly to the Company as such.

## AMOUNT TO BE CARRIED TO RESERVE

During the year under review Rs. (1296.67 Lakhs) are proposed to be carried in the financial statements under the head of the reserves and surplus. (Previous year Rs. (1007.20 Lakhs)

## PROPOSED COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT.

Sayaji Hotels Limited along with its Subsidiary Companies and its associate companies, in order to streamline the business both from operating and management perspective, proposed to consolidate alike businesses into a single identified entity and segregate other businesses into another identical entity creating a niche dedicated and focused business segment by corporate restructuring mechanism under the Composite Scheme of Amalgamation and Arrangement. Pursuant to the said scheme, similar businesses will vest together thereby providing focused management and propel the growth of each business.

The Composite Scheme is proposed between Sayaji Hotels Limited, Ahilya Hotels Limited, Sayaji Housekeeping Services Limited, Sayaji Hotels Management Limited, Sayaji Hotels (Pune) Limited and their respective Shareholders and Creditors in pursuance of Section 230 to 232 read with Section 52 and Section 66 of the Companies Act, 2013.

The Scheme Involves amalgamation of Ahilya Hotels Limited with the Company, demerger of Pune and Vadodara Hotel into a new Company and demerger of its wholly owned subsidiary Sayaji Housekeeping Services Limited from the Company and amalgamation into Sayaji Hotels Management Limited .The complete scheme document is available at Companies [website:https://www.sayajihotels.com/data/new-inv/Composite\\_Scheme.pdf](https://www.sayajihotels.com/data/new-inv/Composite_Scheme.pdf).

## NEW OPENINGS:

Keeping in mind the growth and expansion in the industry, the Sayaji Group invested in various projects and properties thereby exploring new business opportunities:

### i. ENRISE – RAU (INDORE) (KSHIPRA RESTAURANT PVT. LTD.- AN ASSOCIATE COMPANY)

**ENRISE** situated at 27, Ramesh Vihar, Rau, Indore, Madhya Pradesh- 453331, is a mid-scale hotel, full service resort for leisure travelers seeking affordable luxury and comfort. The Hotels is set up with the objective to create benchmarks in the service parameters, provide utmost comfort and make the stay memorable.

The Hotel accommodates total of 36 guest rooms including 3 luxury suites; a fine dining restaurant under the name of "Momentt" and 2 banquet halls. The ethos of the Hotel is, it is built up with fresh and modern aesthetic combined with attentive service, next generation technology and comfortable rooms.

**ii. EFFOTEL GURUGRAM (BY SAYAJI HOTELS MANAGEMENT LTD.-SUBSIDIARY COMPANY)**

**EFFOTEL GURUGRAM** situated at Plot No 358-359, Sec- 29, City Centre, Gurgaon, Haryana- 122001, accommodates total of 50 guest rooms spread across five floors of the building, categorized into Deluxe and Club Rooms with comfortable upholstered furniture, wooden flooring, textured walls and a modern artwork which complete the ambience.

The hotel also has a restaurant under the name of “Cube” serving healthy buffet during breakfast and A La Carte menu during Dinner and with a slurpy feed and vivers.

**iii. SAYAJI HOTELS, RAJKOT**

**SAYAJI HOTELS, RAJKOT** situated at Vrindavan Society Main road, Near Pradhyuman Green City Tower Off, Infront of

Kalavad Road, Rajkot, Gujarat- 360005, with industry acclaimed restaurants within the property, guests can expect the finest food served to them during their business or leisure stay.

The Hotel accommodates total of 78 guest rooms, 3 fine dining restaurants serving culinary diversity within tasteful, contemporary settings under the name of “Horizon, Moon-Tree and Cravings” and 4 banquet halls for luxurious and unforgettable celebration moments.

**iv. Renovation/Expansion of Effotel Baroda**

During the year the Company has renovated its Effotel – Vadodara property completely. The number of rooms have increased from 53 to 89. Private dining room were decreased from 3 to 2 and Restaurants were decreased from 3 to 1

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry Structure And Developments**

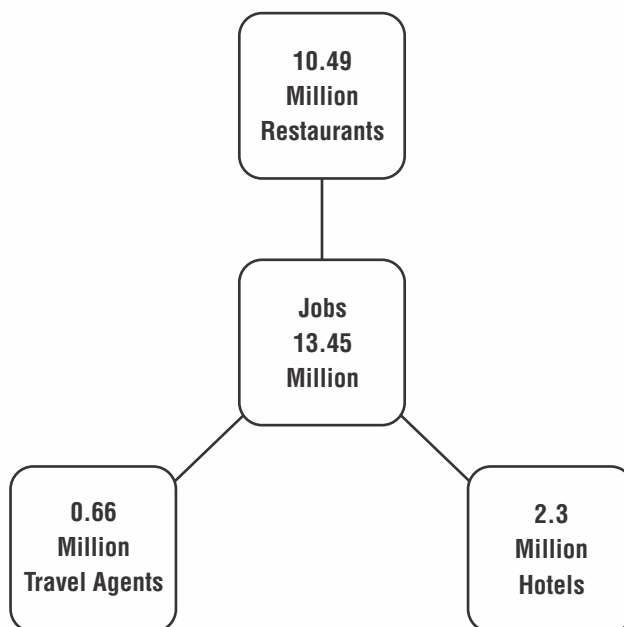
In India guest are treated as “God” like the saying goes “Athiti Devo Bhava”, the culture itself has made Tourism and Hospitality Industry the most rising industry in India. It is one of the world’s fastest growing industries as well as the major source of foreign exchange earnings and employment for many developing countries.

India’s rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound

tourism. Since its inception *Sayaji* have been redefining Hospitality and persistently making people comfortable even though they are far away from their home.

**STRUCTURE:**

According to a recent reports released by India Brand Equity Foundation (IBEF), the industry is expected to create 13.45 million jobs across sub-segments such as Restaurants, Hotels and Travel Agents/Tour Operators.



The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022.

(source: BWBusinessworld, Hospitality Industry In India)

## ADVANTAGE INDIA



Note: MICE – Meetings, Incentives, Conferences, and Exhibitions

## BIG CONTRIBUTOR TO COUNTRY'S GDP

Tourism in India is important for the country's economy and is growing rapidly. The World Travel and Tourism Council calculated that tourism generated ₹16.91 lakh crores (US\$240 billion) or

9.2% of India's GDP in 2018 and supported 42.673 million jobs, 8.1% of its total employment.

The following chart below shows the market size and contribution of the Hospitality and Tourism business to the Country's GDP and forecasted data for the year 2028, which is evidently higher.



(Source: eBook beekeeper: hospitality industry trends for 2019)

## PERFORMANCE: GROWTH DURING THE PERIOD

India is the most digitally-advanced traveler nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year.



### DEVELOPMENTS:

Initiatives by Government:

- Development of tourism infrastructure Theme based circuits are being developed under the Swadesh Darshan Scheme spanning the entire country. A total number of 07 projects have been sanctioned during 2018-19 for a total amount of Rs. 384.67 Crore. With this, a total number of 73 projects have been sanctioned till date for an amount of Rs. 5873.99 Crore under this Scheme covering 30 States and Union Territories in the country.
- Nine projects under the Swadesh Darshan Scheme have been inaugurated between August to December 2018 in the States of Manipur, Arunachal Pradesh, Andhra Pradesh, Nagaland, Chhattisgarh and Madhya Pradesh. Facilities like Tourist Facilitation Centers, Eco Log Huts, Sound and Light Show,

Helipads, Cafeteria, Wayside Amenities, Nature Trails, Jetties, Boat club, Adventure Zones, Interpretation Centers, Water Sports, Craft Villages, Tribal Thematic Villages, Illumination etc. have been developed as part of the above projects.

- Integrated development of identified pilgrimage destinations is being undertaken under the 'National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive' (PRASHAD) Scheme.
- One project has been sanctioned during 2018-19 for a total amount of Rs. 39.24 Crore. A total number of 24 projects have been sanctioned till date for an amount of Rs. 727.16 Crore under this Scheme.

(Source: Press Information Bureau Government of India Ministry of tourism)

## THREATS & CHALLENGES

- ❖ Fluctuations in international tourist arrivals: The total dependency on foreign tourists can be risky, as there are wide fluctuations in international tourism. Domestic tourism needs to be given equal importance and measures should be taken to promote it.
- ❖ Shortage of skilled employees: One of the greatest challenges plaguing the hospitality industry is the unavailability of quality workforce in different skill levels.
- ❖ Retaining quality workforce: Though there is boom in the service sector, most of the hotel management graduates are joining other sectors like retail and aviation.
- ❖ Intense competition: The industry is witnessing heightened competition with the arrival of new players, new products and new systems.

- ❖ Customer expectations: As India is emerging as a destination on the global travel map, expectations of customers are rising. The companies have to focus on customer loyalty and repeat purchases.
- ❖ Human resource development: India is focusing more on white collar jobs than blue collar jobs. The shortage of blue collar employees will pose various threats to the industry.
- ❖ Image of India: The image of India as a country overrun by poverty, political instability, safety concerns and diseases also harms the tourism industry.

Despite the threats and challenges Sayaji is achieving and overcoming every such challenge facing them as an opportunity to grow by market analysis, surveys, new projects, providing trainings, study and analysis and hence keeping pace with the changing trends, tastes and preferences of the customers.



## FUTURE TRENDS AND OPPORTUNITIES

The Indian hospitality industry has experienced prominent growth in recent years due to various factors, including the rising purchasing power of domestic travelers, an increase in commercial development and foreign tourist arrivals, a growing airline industry and government-led initiatives aiming to stimulate the sector. There is a great deal of scope to expand tourism across India, and as the country improves air travel connections and relaxes visa restrictions, tourist arrivals should increase.

### i. SENIOR LIVING

Much is said about Indian demographic being one of the youngest in the world. It is just as pertinent to note that an estimated 150 million Indians (more than the total population of most nations) will be over 60 years old by 2030. A fair number of India's senior citizens are traveling the world, asserting their financial independence and seeking a discerning lifestyle post retirement. The traditional adage of letting your children 'care' for you in your old age is being replaced by this populace choosing to live on their own terms in communities of like minded individuals. Senior living homes are quite certainly a future trend.

### ii. GROWTH OF THE LEASING MODEL

Leasing of Hotels is fast emerging as the preferred mode of growth for budget and midscale brands active in India. At a fundamental level, leasing of hotels requires the lessor (or the developer) to undertake the development risk while shifting the operating risks to the lessee (or the operator). Both parties may also partake in the capital expenditure and agree on a revenue share agreement. The asset on offer can be on varied stages of development – from land lease to a completed hotel. The operator/brand takes the P&L risk, whereas the owner/Landlord is offered returns off the top-line of the asset.

### iii. TOTAL REVENUE MANAGEMENT (TRM)

In the past few decades, while we have witnessed the growth of revenue management into a strong and necessary discipline for many industries dealing with finite inventory and varying demand patterns, its true applicability to the growth and success of hotels is yet to achieve its potential. In recent years, we have begun to see a

shift in the application of traditional revenue management towards Total revenue Management (TRM). TRM is not to be confused with solely applying revenue management concepts to all income streams of a hotel. While that is an essential component, TRM is also about designing pricing strategies that optimize the total curve in adopting TRM.

### iv. EXPERIMENTAL HOSPITALITY

Creating a vibe of sharing and spontaneity for the next-gen travellers, these hotels will aspire to attract an audience that seeks a social, welcoming, and communicative lifestyle. With an eye to meet the rapidly changing guest expectations from their 'experience providers', hotels today are pushing boundaries, broadening horizons, augmenting services and aiming to provide guest care that is truly discerning. Hotel brands have begun to recognize the fact that their patrons don't just want a good product or great service, they yearn for a unique experience.

### v. BRAND VALUATIONS

Businesses are frequently valued using one or more established approaches across industries and sectors. In recent times, have increasingly and justifiably so, embraced the idea that business value is not made up of its tangible assets alone. The importance of not just the brand, but also patents and trademarks, technology and intellectual property as well as human capital is now being ascribed value, which in many cases, has caused a measurable shift in the market value of companies when compared to their book value.

### vi. MODULAR CONSTRUCTION TECHNIQUES

Modular construction is a process of building prefabricated portions of a structure in an offsite location, transporting it to the site and then assembling these 'modules' to complete a home, hospital, office building or hotel. These blocks may be assembled beside, upon, or around each other to create a variety of building structures. Touted to be less expensive, time saving and decreased wastage focused, this plug play style of construction has been strongly adopted by developers across the globe.

Source: *Hotelivate.com*

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## INTERNAL COMPLAINT COMMITTEE AS PER THE REQUIREMENT OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at its workplace and in line with the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated. Sayaji has formulated a Grievances Escalation Order to approach anyone for any Grievances. There were no cases of sexual harassment complaints received by the Company in the financial year 2018-19.

## SUBSIDIARY/IES AND ASSOCIATES

Your Company holds 100% equity as well as preference share capital in following companies:

- Sayaji Housekeeping Services Limited,
- Sayaji Hotels Management Limited,
- Sayaji Hotels (Pune) Limited,
- Sayaji Hotels (Vadodara) Limited.,

And it also holds 52.37% equity share capital in Aries Hotels Private Limited and 51.67% in Malwa Hospitality Private Limited. The Company also has one Associate Company i.e. Winner Hotels Private Limited holding 23% equity capital.

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Board of Directors formulated a Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), on the recommendations of the CSR Committee. The policy encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

As the average net profit of the Company for last 3 years is negative hence there is no liability on the Company to incur expenditure on CSR activities as prescribed u/s 135 and Schedule VII of the Companies Act, 2013 hence is not required to provide particulars of CSR, during the Financial Year 2018-19.

CSR Policy has also been approved by the Board and placed on the Company's website at [https://www.sayajihotels.com/data/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://www.sayajihotels.com/data/Corporate_Social_Responsibility_Policy.pdf)

## RISK AND CONCERN

Businesses in the hospitality industry are constantly exposed to a unique set of risks that come with providing the services and amenities that guests demand.

Sayaji being in hospitality industry often faces heightened risks as many businesses have a high turnover of employees and large proportion of part-time workers. Furthermore, new risks are always appearing in the hospitality industry, and with constantly changing regulations and trends, previous exposures can present new and different challenges. As such, it's important that owners and managers in the hospitality industry keep up with the current and emerging risks to their business so that they can put management strategies in place to address them.

A non-exhaustive list of risk exposures that are common to the hospitality sector is as under:

### i. Food-Borne Illness

Food safety is one of the biggest risks for businesses operating in the hospitality industry. Some common infections and viruses are also leading causes of illness from contaminated food. The virus can be spread when food comes into contact with infected people or contaminated surfaces.

In order to reduce the risk in this area, restaurant personnel should be thoroughly trained in food handling, sanitation and health safety procedures, and food vendors' quality controls should be put in place to will ensure that the food they provide is as safe as possible.

### ii. Alcohol Fueled Behavior

Businesses that serve alcohol face a range of potentially serious risk exposures. Alcohol-fuelled patrons are more difficult to deal with, create more mess such as spillages and breakages and are more disorderly which puts staff at greater risk of harm.

It is therefore essential that employees who serve alcohol hold the appropriate licenses and are continuously trained to ensure they don't become complacent over time.

### iii. Shortage of Experienced Personnel

Travel and hospitality companies must identify and address wage and worker satisfaction issues to keep their people happy and motivated to provide the level of service customers expect. As the industry continues to grow, staff will have more options, both in and outside the industry, and the poaching of experienced personnel will become a competitive sport.

### iv. Consumer Perception of Risk

Terrorist attacks, biological outbreaks and incidents of political or social violence can not only significantly impact specific locations but can also have a more widespread chilling impact

on leisure travel behavior across a region or even globally. What's challenging for the hospitality industry is that related losses are impossible to predict and difficult to insure against

#### **v. On-Premises Security**

Keeping guests safe is a high priority for the hospitality industry. However due to the difficult economic environment many businesses have scaled back on security, which can result in increased exposures and heightened liability if it creates an unsafe environment.

It's important that property managers in the hospitality sector review their security staffing levels and equipment to ensure they are providing adequate protection for guests. Both internal security staff and any contracted staff should be thoroughly checked out and provided with adequate training, and security systems, such as cameras, should also be properly maintained.

#### **vi. Cyber Security**

Businesses in the hospitality industry are often targeted by cyber crime. If the security of personal financial information is compromised, the business may incur significant costs as a result of having to notify customers whose data has been exposed and any resulting compensation claims. All hospitality firms should have data safeguards and procedures in place in order to mitigate their cyber exposure. In order to ensure your customers, employees and business are safe, hospitality businesses should carefully review their current and new exposures as well as the policies and procedures that they have in place to mitigate their risks.

#### **RISK MANAGEMENT POLICY**

An effective risk management strategy is essential for members of the hospitality industry. Risk management helps employees to identify, analyze, assess, and hopefully, avoid or mitigate risks coming from a variety of sources, such as financial upset, legal ramifications, accidents, natural disasters, data or cyber security breaches, and many more.

Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

Some of the risks that the Company is exposed to are:

- Financial risks
- Commodity price risks
- Regulatory risks
- Human resource risks
- Strategic risks

#### **HUMAN RESOURCES**

Your Company has been continuously working to improve human resources skills, competencies and capabilities in the Company, which is critical to achieve desired results in lines with its strategic business ambitions.

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers.

Sayaji follows a performance measuring tool like Balance Score Card and Key Performance Indicators (BSC & KPI), applicable depending on their position in the organization, by which evaluation of the employees' performance is done based on their area of working. This also encourage them to work hard and efficiently at all levels of work.

Sayaji also has a Human Resource Application which let its user seek technology advantage by providing following features:

- Access official/personal details on software.
- Available as a Smart Phone Application
- Check leave balances status
- Apply for Leaves
- Company news & Articles
- Mark and check attendance
- Check your Performance Score card
- Grievance Escalation, etc

The Company is also committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. The Company has total number of permanent employees on roll as at 31st March, 2019 was 1910 across all its units.

#### **SAFETY, HEALTH AND ENVIRONMENT**

A safe work environment is non-negotiable, for which we follow global safety standards in all our units. Our safety practices ensure all possible safety hazards are identified and eliminated, not only at the workplace but also during employee travel. As stated above, Sayaji has thus formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

The Company is also conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliance of environmental regulations and preservation of natural resources.

**PERFORMANCE OF THE SUBSIDIARY COMPANIES - AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES**

As on 31st March 2019 the Company has 6 Subsidiaries and 1 Associate Company. During the year under review, there was no change in the nature of businesses of Subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries and Associates. A statement containing salient features of the financial statements of the subsidiary/associate companies is also included in the annual report as attached in **Annexure – 7**.

Pursuant to the provisions of Section 136(1) of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiaries are available on the website of the Company i.e. [www.sayajihotels.com](http://www.sayajihotels.com).

Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's Registered Office or e-mail to [cs@sayajigroup.com](mailto:cs@sayajigroup.com).

**BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL**

The Board of Directors has an optimum combination of executive and non-executive independent directors including one woman director, according to the requirement of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. As on 31st March, 2019, your Board has following directors and key managerial personals:

S.No.	Name	Date of Appointment	Designation
1.	Mr. Thottapuly Narayanan Unni	31/01/2002	Independent Director
2.	Mr. Raoof Razak Dhanani	14/11/2013	Managing Director
3.	Mrs. Suchitra Dhanani	06/02/2014	Whole Time Director
4.	Mr. Abhay Chintaman Chaudhari	14/02/2017	Independent Director
5.	Mr. Kayum Razak Dhanani	30/11/2012	Director
6.	Mr. Saquib Salim Agboatwala	14/02/2019	Additional Director (Independent Category)
7.	Mr. Sandesh Khandelwal	06/02/2014	Chief Financial officer
8.	Mr. Amit Kumar Sarraf	26/09/2011	Company Secretary

**CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS**

During the year under review, Mr. Pradeep Goyal (DIN: 02798770) and Mr. Sanjay Ahuja (DIN: 00084945) resigned from the Board w.e.f 30/11/2018 and 20/02/2019 respectively and Mr. Saquib Salim Agboatwala (DIN: 06611659) was appointed as an Additional Director (Independent category) w.e.f 14/02/2019.

**INDEPENDENT DIRECTORS**

As on March 31st, 2019, following Independent Directors were there in the Company:

S.No	Name	DIN	Date of Appointment
1.	Mr. T.N. Unni	00079237	31/01/2002
2.	Mr. Abhay Chintaman Chaudhari	06726836	14/02/2017
3.	Mr. Saquib Salim Agboatwala	06611659	14/02/2019

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from Independent Directors confirming that he is not disqualified from appointing/ continuing as Independent Director.

#### **RETIREMENT BY ROTATION -**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mrs. Suchitra Dhanani is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her appointment.

The resolutions seeking approval of the members for the re-appointment of Mrs. Suchitra Dhanani, have been incorporated in the Notice of the Annual General Meeting of the Company.

#### **RE-APPOINTMENT OF THE INDEPENDENT DIRECTORS FOR THE SECOND TERM**

In the last Annual General Meeting which was held on 28th September, 2018 Mr. T.N. Unni, aged above 75 years, was reappointed for the second term of 5 years w.e.f. 1st April, 2019 to 31st March, 2024 by passing Special resolution.

#### **CHANGES IN OTHER KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of the Act, during the year under review, there were no changes in the position of KMPs.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board met 8 (Eight) times during the financial year 2018-19. The meeting details are provided in the corporate governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

#### **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

In order that familiarize the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., The Company has disclosed on its website A Familiarization Program for Independent Directors. It can further be accessed at the following website - [https://www.sayajihotels.com/data/Familiarization\\_programme\\_for\\_Independent\\_directors.pdf](https://www.sayajihotels.com/data/Familiarization_programme_for_Independent_directors.pdf)

#### **SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA**

The selection of new directors is done by the Board of the Company. The Board delegates the screening and selection process to the nomination and remuneration committee, which consists majority of independent directors. The Committee, based on defined

criteria, makes recommendations to the Board on the induction of the new directors. The Policy for the Selection and Appointment of Directors is publicly available on the Company's website at [www.sayajihotels.com](http://www.sayajihotels.com) which forms the part of this Annual Report.

#### **ANNUAL EVALUATION OF THE BOARD**

Company ensures that the process for evaluation of the Board, committees and directors should be developmental rather than just a compliance exercise.

The Nomination & Remuneration committee (NRC) constituted under section 178 of the Act has been made responsible for carrying out evaluation of every director's performance. The NRC and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, committees and individual directors has to be made. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual directors and the Chairman.

The Individual Directors' responses to the questionnaire on the performance of the Board, Committee(s), Directors and Chairman, were analyzed to arrive at unbiased conclusions.

#### **Criteria for evaluation of board of directors as a whole**

- The frequency of meetings;
- The length of meeting;
- The administration of meeting;
- The number of committee and their note;
- The flow of information to board members and between board members;
- The quality and quantity of information; and
- The Disclosure of information to the stakeholders.

#### **Criteria for evaluation of the individual Directors**

- Ability to contribute and monitor corporate governance practices;
- Ability to contribute by introducing best practices to address top management issues;
- Participation in long term strategic planning;
- Commitment to the fulfillment of director obligations and fiduciary responsibility;
- guiding strategy;
- Monitoring management performance and development;
- Statutory compliance and Corporate Governance;
- Attendance and contribution at board / Committee meetings;
- Time spent by each of the member; and
- Core competence.

## INTERNAL CONTROL SYSTEMS

Management has laid down internal financial controls to be followed by the Company. We have adopted policies and procedures for ensuring the orderly and efficient conduct of the 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 disclosures.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and covers all offices and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and efficiency of the Company's internal control mechanisms and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

## A CATALOGUE OF VARIOUS POLICIES OF THE COMPANY ARE HEREUNDER:

- Corporate Social Responsibility Policy
- Familiarization programme for Independent directors
- Material Subsidiary Policy
- Related Party Transaction Policy
- Risk Management Policy
- Remuneration and Nomination Policy
- Policy for determination of materiality
- Policy for Preservation of the Documents
- Policy for Procedure Of Inquiry In Case of Leak of Unpublished Price Sensitive Information ("UPSI")
- Code of Fair Practices and Procedures For Disclosure of Unpublished Price Sensitive Information and Code Of Conduct to Regulate, Monitor And Report Trading By Insiders.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Company's Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013, which is true & correct to be the best of their knowledge and belief and according to the information and explanations obtained by them:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b. that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31st 2019 and of the loss of the Company for the year ended on that date
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that proper systems have been devised to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## COMPOSITION OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS

During the year, in accordance with Companies Act, 2013, the Company has the following committee as at year ended 31st March 2019:

S.No	Committees of the Board
1	Audit Committee
2	Corporate Social Responsibility Committee
3	Borrowing and Investment Committee
4	Nomination and Remuneration Committee
5	Stakeholders' Relationship Committee
6	Scheme Implementation Committee

The details with respect to the composition, charters and meetings held during the year, are given in detail in the 'Report on Corporate Governance', of the Company which forms part of this Annual Report and is available on the Company's website at <https://www.sayajihotels.com/investors>

## RELATED PARTY TRANSACTIONS

Transaction entered with the related parties defined under the Companies Act, 2013 and provisions of SEBI (LODR) regulation, 2015 during the financial year 2018-19 were mainly in the ordinary course of business and on arm's length basis.. All such contracts or



arrangements have been approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Further, the prescribed details of related party transactions of the Company in Form No. AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the Annexure 1 to this Report.

The policy on materiality of Related Party Transaction and dealing with related party transaction, as approved by the Board, is available on the Company's website and can be accessed at: [https://www.sayajihotels.com/data/Related\\_Party\\_Transaction\\_Policy.pdf](https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf)

### KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give the details of significant changes (Change of 25% or more as compared to the immediately previous financial Year) in key sector specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Particulars	2018 (%)	2019 (%)	% of Change
Debtors Turnover Ratios	6.37	6.18	-3.06
Turnover Ratio	5.65	5.25	-7.08
Interest Coverage Ratio	0.73	1.12	54.25
Current Ratios	0.93	0.74	-20.46
Debt Equity Ratios	2.22	2.30	3.49
Operating Profit Margin	5	8	56.94
Net Profit Margin	-2.18	-1.40	-35.75

### STATUTORY AUDITORS

M/s K. L. Vyas & Co., Chartered Accountants, (F.R.No 003289C), shall hold office as the Statutory Auditors of the Company, for a term of five consecutive years, i.e. till the conclusion of the 40th AGM of the Company to be held in the year 2023 and approval of which from the Members by way of Special Resolution was obtained in the 35th AGM of the company held in the year 2018.

The report of the Statutory Auditors along with the Notes to Schedules is enclosed to this report.

The Auditors' have confirmed their eligibility under Section 141(3)(g) of the Companies Act, 2013 and the Rules framed there under for appointment as Auditors of the Company. As required under SEBI (LODR) Regulations, 2015, the auditors have also

confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s Ritesh Gupta & Co., Practicing Company Secretary, (holding Certificate of Practice bearing No 3764) to conduct Secretarial Audit for the FY 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as "Annexure 2" in 'Form No. MR-3' to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed. The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Annual Report.

### CEO & CFO CERTIFICATION

As required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015, Certificate signed by Mr. Raoof Razak Dhanani, Managing Director and Mr. Sandesh Khandelwal, Chief Financial Officer, for the year 2018-19 was placed before the Board of Directors in its 1st Board Meeting held on 30th May' 2019 and is annexed to Corporate Governance Report.

A copy of the certificate on the financial statements for the financial year ended March, 31st 2019 is annexed along with this Report.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company is prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017 forming part of this Annual Report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS**

In respect of the leasehold land of Indore Hotel, Indore Development Authority has cancelled the lease deed vide order dated 20th Dec. 2017. The Company has challenged the said order before Hon'ble High Court single bench and it has decided the matter against the Company vide their order dated 16th July 2018. However Company has filed revision writ appeal before division Bench of the Hon'ble High Court, Indore Bench. Matter is pending before the court and final hearing is awaited.

Indore development Authority has also filed an application before the competent authority under the public premises (Eviction) Act for eviction of the Company from the said premises. High Court has granted stay on passing of any order under the said eviction proceedings.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company continued to focus on energy conservation measures during the year across all its units and has implemented various Energy Conservation programs and latest technology up gradation measures, your Company also earned foreign currency in Financial Year 2019 – 2020, The hotels are fitted with energy saving devices to conserve energy in the long run which leads to reduce energy cost and helps to promote economic, political and environmental sustainability and thus maximize profit.

Information as required under Section 134(3)(m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in **Annexure 3** to this Report.

## **COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS**

Your Company complied with the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, with respect to Board Meeting and General Meetings

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF REPORT**

There are no material changes and commitment affecting the financial position of the Company between the end of the financial year and the date of this report.??

## **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company's shares are available for dematerialization with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). About 91.32% of the paid-up equity share capital of the Company is in dematerialized as on March 31, 2019.

## **LISTING & DEPOSITORY FEE**

The Company has paid Annual Listing Fee for the Financial Year 2018-19 to the BSE Ltd. according to the prescribed norms & regulations. Company has also paid Annual Custody Fee to National Securities Depository Limited and to Central Depository Services.

## **CERTIFICATE FROM PRACTICING COMPANY SECRETARY OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached as **Annexure '4'** to this Report.

## **EXTRACT OF ANNUAL RETURN**

As per the provisions of Section 92(3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules 2014, an extract of the Annual Return in Form MGT-9 is attached as **Annexure '5'** to this Report.

## **PARTICULARS OF REMUNERATION OF EMPLOYEES**

The disclosure required to be made in terms of Section 197(12) of the Companies Act, 2013 and Rule 5(1) is annexed herewith as **"Annexure 6"**.

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The information as per the provision of section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014 are as under –

1	Name and Designation of The Employee	Vivek Kumar Thakur (General Manager of the Sayaji Hotel – Indore Unit)
2	Remuneration Received	318250/- Monthly Gross
3	Nature Of Employment, Whether Contractual Or Otherwise	On roll employee
4	Qualifications And Experience Of The Employee	Diploma in Hotel Management Experience - 18 years.
5	Date Of Commencement Of Employment;	01.06.2017
6	The Age Of Such Employee;	42 Year (13 Nov 1976 - Date Of Birth)
7	The Last Employment Held By Such Employee Before Joining The Company	General Manager, Chancery Pavilion Bangalore
8	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub – rule (2) above	None
9	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager	He is not relative of any director and manager.

#### ACKNOWLEDGMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, Local Authorities customers, vendors and members during the year under review. The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

#### FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will' and other similar

expressions as they relate to the Company and / or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

**For and on behalf of the Board**

**Raof Razak Dhanani**  
Managing Director  
DIN - 00174654

**Place: Indore**  
**Date : 13.08.2019**

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**ANNEXURE '1' TO BOARD'S REPORT**
**Form AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013]

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2019, which were not at arm's length basis.

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

<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts / arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board, if any</b>	<b>Amount paid as advances, if any</b>
Aries Hotels Pvt. Ltd. Nature of Relationship- Subsidiary Company	Selling off the entire equity stake (52,18,000 Equity Shares) in the Aries Hotels Pvt. Ltd. in one or more tranches.	At the discretion of the Board.	Selling off the entire equity stake (52,18,000 Equity Shares at a price of Rs. 10.59 each) in the Aries Hotels Pvt. Ltd. in one or more tranches to below mentioned shareholders: 1. Suchitra Dhanani 2. Kayum Dhanani 3. Saba Dhanani 4. Sumera Dhanani 5. Sadiya Dhanani	14.02.2019 and 30.05.2019	None
A.R. Hospitality Limited Nature of Relationship- Associate Company	Selling of the assets of the Mediterra Restaurant (Mumbai) by way of a slump sale.	One Time Transaction effective from 01.01.2019	The Company sold the assets of the restaurant on slump sale basis. Consideration of Rs. 500,000	14.02.2019	None
Barbeque-Nation Hospitality Ltd. ("BNHL") Nature of Relationship- Associate Company	The Company is taking back the Bar Area of the Barbeque-Nation Restaurant situated in the Pune Hotel and revise the lease rent + common area maintenance charges.	Continuous Transaction	Lease Rent of Rs. 3.25 Lakhs per month + Common Area Maintenance Charges of Rs. 0.25 Lakhs to be paid by the BNHL to the Company.	20.03.2019	None

**ANNEXURE '2' TO BOARD'S REPORT  
FORM No. MR-3  
SECRETARIAL AUDIT REPORT  
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

To,  
The Members,  
**Sayaji Hotels Limited**  
F1 C2 Sivavel Apartment 2 Alagappa Nagar,  
Zamin Pallavaram,  
Chennai (TN) - 600117

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Sayaji Hotels Limited (CIN:L51100TN1982PLC124332)** (hereinafter called "**The Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company on test basis for the financial year ended on **31st March, 2019** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
5. The Provisions of the Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

6. Secretarial Standards-1 pertaining to Board Meetings and Secretarial Standards-2 pertaining to General Meetings issued by the Institute of Company Secretaries of India were applicable during the year.
7. Other laws applicable specifically to the Company (as given in '**Annexure-I**' to the Report).

I have also examined compliance with the applicable clauses of The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; the equity shares of the Company are listed on **BSE Limited**.

I report that during the period under review the Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the Financial Year under report;

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that the compliances of applicable financial, cost and tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other



designated professionals.

I further report that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations Guidelines, Standards, etc. which are applicable on the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

Based on the information, representation, clarifications and reports provided by the Company, its Board of Directors, its designated Officers, and authorized representatives during the conduct of audit and also review on quarterly compliance report submitted by the department heads and taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable Laws, Rules and Regulations and happening of events etc. to the Company.

I further report that event/ actions having a major bearing in the affairs of the Company during the period under the report as below-

- The Company has approved the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Ltd. And Ahilya hotels Ltd. And Sayaji Housekeeping Services Ltd. And Sayaji Hotels (Pune) Ltd. And Sayaji Hotels Management Ltd. at the Board Meeting held on September 19th, 2018. However the Composite Scheme of Amalgamation and Arrangement is under process in accordance to Section 230 to 232 of the Companies Act, 2013.
- The Company has filed revision writ appeal before Division Bench of Honorable High Court, Indore against the order dated 16th July, 2018, in a legal case against the Indore Development Authority.
- A show cause notice was issued by the SEBI to the promoters and promoters group of the company in the matter of Non compliance of the Takeover regulations, 1997 and SEBI Insider Trading Regulations, 1992 in the shares of the company. Non Compliance is related to the year 2005-06. Penalty of Rs. 310 lakhs imposed to promoters of the Company and Rs. 5 Lakhs specially imposed on Mrs. Suchitra Dhanani . Company has filed appeal with SAT and settlement application with SEBI.

**For Ritesh Gupta & Co.  
Company Secretaries**

**Date: 30.05.2018  
Place: Indore**

**Ritesh Gupta  
CP:3764, FCS:5200**

**Note:** This report to be read with our letter of even date which is annexed as '**Annexure-A**' and forms part of this report.

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## ‘Annexure-A’ to the Secretarial Audit Report

**To,  
The Members,  
Sayaji Hotels Limited**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.

4. The compliances of subsidiaries companies not been reviewed in this audit since the same have been subject to review by other designated professionals and not a part of my audit assignment.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For Ritesh Gupta & Co.  
Company Secretaries**

**Date : 30.05.2019  
Place: Indore**

**Ritesh Gupta  
CP No. 3764, FCS:5200**

## ANNEXURE ‘3’ TO BOARD’S REPORT

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO  
[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]**

**(A) Conservation of Energy -**

- (i) The steps taken or impact on conservation of energy; - None
- (ii) The steps taken by the Company for utilizing alternate sources of energy; The Company is using solar power energy at various location.
- (iii) The capital investment on energy conservation equipment; - None

**(B) Technology Absorption**

- (i) The efforts made towards technology absorption; - No technology absorption was done by the Company during the last financial year.
- (ii) The benefit derived like product improvement, cost reduction, product development or import substitution; - N.A.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –Company has not imported any technology during the last three financial years.

- (a) The details of technology imported; - N.A.
- (b) The year of import; - N.A.
- (c) Whether the technology been fully absorbed; - N.A.
- (d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof; and - N.A.
- (e) The expenditure incurred on Research and Development - N.A.

**(C) Foreign exchange earnings and Outgo–**

- i. Foreign Exchange Earning – 1073.14
- ii. Foreign Exchange Outgo – 41.94

**ANNEXTURE '4' TO THE BOARD REPORT  
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To,  
The Members of  
Sayaji Hotels Limited  
F1 C2 Sivavel Apartment 2 Alagappa Nagar,  
Zamin Pallavaram  
Chennai TN 600117 IN**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sayaji Hotels Limited** having **CIN-L51100TN1982PLC124332** and having registered office at **F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram, Chennai TN- 600117 IN** (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1.	Thottappully Narayanan Unni	00079237	31/01/2002
2.	Raoof Razak Dhanani	00174654	14/11/2013
3.	Suchitra Dhanani	00712187	06/02/2014
4.	Kayum Razak Dhanani	00987597	30/11/2012
5.	Saquib Salim Agboatwala	06611659	14/02/2019
6.	Abhay Chintaman Chaudhari	06726836	14/02/2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Neelesh Gupta & Co.  
Company Secretaries**

**CS Neelesh Gupta  
Proprietor  
C.P. No. 6846**

**Date : 03.06.2019  
Place : Indore**

## ANNEXURE '5' TO BOARD'S REPORT EXTRACT OF ANNUAL RETURN

**As on the financial year ended 31.03.2019**

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

### FORM NO. MGT – 9

**I. Registration and Other Details**

<b>CIN</b>	L51100TN1982PLC124332
<b>Registration Date</b>	05/04/1982
<b>Name of the Company</b>	Sayaji Hotels Limited
<b>Category / Sub-Category of the Company</b>	Company having Share Capital
<b>Address of the Registered Office and contact details</b>	(C2/F1), in Sivavel Apartment, No. 2 Alagappa Nagar, Zamin Pallavaram Chennai Tamil Nadu, 600117 Phone : 044-29871174, Email – cs@sayajigroup.com
<b>Whether listed company</b>	Yes
<b>Name, address and contact details of Registrar and Transfer Agent, if any</b>	Link In Time India Pvt. Ltd. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Phone : 022-49186000 Email: shweta.poojari@linkintime.co.in, Name of Contact Person: Shweta Poojari

**II. Principal Business Activities of the Company**

**All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:**

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Hotel	55101	34.86
Restaurants and Banquet	56301	65.14

**III. Particulars of Subsidiaries and associate Companies as on 31st March, 2019**

Name and address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
Sayaji Housekeeping Services Ltd.	U74900TN2016PLC124334	Wholly-Owned Subsidiary	100%	2(87)
Aries Hotels Pvt. Ltd.	U74300GJ1996PTC030171	Subsidiary	52.37%	2(87)
Malwa Hospitality Pvt. Ltd.	U55209MP2008PTC020502	Subsidiary	51.67%	2(87)
Sayaji Hotels Management Ltd.	U55205TN2018PLC122667	Wholly-Owned Subsidiary	100%	2(87)
Sayaji Hotels (Vadodara) Limited	U55209TN2018PLC122598	Wholly-Owned Subsidiary	100%	2(87)
Sayaji Hotels (Pune) Limited	U55204TN2018PLC122599	Wholly-Owned Subsidiary	100%	2(87)
Winner Hotels Pvt. Ltd.	U55101MP2010PTC023903	Associate Company	23%	2(6)
Barbeque Nation Hospitality Limited	U55101KA2006PLC073031	Associate Company	45.10% (Held by its wholly owned Subsidiary M/s Sayaji Housekeeping Services Ltd.	2(6)

**PART - A**  
**EQUITY SHARES**

**IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)**
**i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	93,78,526	12,88,100	1,06,66,626	60.89	93,78,626	12,88,000	1,06,66,626	60.89	0.00
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corporate	24,55,000	0	24,55,000	14.01	24,55,000	0	24,55,000	14.01	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other....	0	0	0	0	0	0	0	0	0.00
<b>Sub-Total (A)(1):</b>	<b>11,833,526</b>	<b>12,88,100</b>	<b>1,31,21,626</b>	<b>74.90</b>	<b>1,18,33,626</b>	<b>12,88,000</b>	<b>1,31,21,626</b>	<b>74.90</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other...	0	0	0	0	0	0	0	0	0.00
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>1,18,33,526</b>	<b>12,88,100</b>	<b>1,31,21,626</b>	<b>74.90</b>	<b>1,18,33,626</b>	<b>12,88,000</b>	<b>1,31,21,626</b>	<b>74.90</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	4000	4000	0.02	0	4000	4000	0.02	0.00
b) Banks / FI	50	300	350	0.00	50	300	350	0.00	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-Total (B)(1):</b>	<b>50</b>	<b>4300</b>	<b>4350</b>	<b>0.02</b>	<b>50</b>	<b>4300</b>	<b>4350</b>	<b>0.02</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	89845	13373	1,03,218	0.59	90,452	10373	1,00,825	0.58	(0.01)
ii) Overseas	0	0	0	0	0	0	0	0	0.00
<b>b) Individuals</b>									
l) Individual Shareholders holding nominal share capital upto 1 lakh	300103	209762	509865	2.91	292145	202186	494331	2.83	(0.08)



Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	7,27,104	0	7,27,104	4.16	741578	0	741578	4.23	0.07
<b>c) Others</b> (HUF and Non Resident (Non Repatriable))	18,521	0	18,521	0.11	19949	0	19949	0.11	0.00
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0.00
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0.00
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0.00
iv) NRI / OCBs	3016447	16383	3032830	17.31	30,17,947	16,383	30,34,330	17.32	0.01
v) Clearing Members/ Clearing House	486	0	486	0.00	1011	0	1011	0.01	0.01
vi) Trusts	0	0	0	0	0	0	0	0	0.00
vii) LLP	0	0	0	0	0	0	0	0	0.00
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0.00
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
<b>Sub-Total (B)(2):</b>	<b>4152506</b>	<b>239518</b>	<b>4392024</b>	<b>25.08</b>	<b>4163082</b>	<b>228942</b>	<b>4392024</b>	<b>25.08</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4152556</b>	<b>243818</b>	<b>4396374</b>	<b>25.10</b>	<b>4163132</b>	<b>233242</b>	<b>4396374</b>	<b>25.10</b>	<b>0.00</b>
<b>Grand Total (A+B)</b>	<b>15986082</b>	<b>1531918</b>	<b>17518000</b>	<b>100</b>	<b>15996758</b>	<b>1521242</b>	<b>17518000</b>	<b>100</b>	<b>0.00</b>

**i) Shareholding of Promoters (Including Promoters Group)**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Raoof Razak Dhanani	3898651	22.26	27.66	3898751	22.26	1378422	0.00
Anisha Dhanani	2,96,578	1.69	100	296578	1.69	296578	0.00
Ahilya Hotels Ltd.	2455000	14.01	0.00	2455000	14.01	0	0.00
Late. Sajid R. Dhanani	2435511	13.90	24.64	2435511	13.90	600000	0.00
Suchitra Dhanani	330029	1.88	0.00	280029	1.60	0	0.28
Kayum Dhanani	3638079	20.77	100	3638079	20.77	3638000	0.00
Sadika Memon	100	0.00	0.00	0	0.00	0	0.00
Bipasha Dhanani	50000	0.29	0.00	50000	0.29	0	0.00
Shamim Sheikh	200	0.00	0.00	200	0.00	0	0.00
Mansoor Memon	100	0.00	0.00	100	0.00	0	0.00
Rafiqunisha Merchnat	17378	0.10	0.00	17378	0.00	0	0.00
Azhar Yusuf Dhanani	0	0.00	0.00	50000	0.29	0	0.29
<b>Total</b>	<b>13121626</b>	<b>74.90</b>		<b>13121626</b>	<b>74.90</b>		<b>0.00</b>

**ii) Change in Promoters' (Including Promoters Group) Shareholding (Please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	13121626	74.90	13121626	74.90
<b>1. Raoof Razak Dhanani</b>				
At the beginning of the year	3898651	22.26%	3898651	22.26%
Date – 04.09.2018 By purchase of Shares	100	0.00	3898751	22.26
At the end of the year	3898751	22.26%	3898751	22.26%
<b>2. Suchitra Dhanani</b>				
At the beginning of the year	330029	1.88%	330029	1.88%
Date – 25.03.2019 To Sale of Shares	25000	0.14%	305029	1.74%
Date – 26.03.2019 To Sale of Shares	25000	0.14%	280029	1.60%
At the end of the year	280029	1.60%	280029	1.60%
<b>3. Azhar Dhanani</b>	0	0.00%	0	0.00%
Date:25.03.2019 By Transfer of Shares	24999	0.14%	24999	0.14%
Date:26.03.2019 By Transfer of Shares	25001	0.14%	50000	0.28%
	50000	0.28%	50000	0.28%
At the end of the year	13121626	74.90	13121626	74.90

**iii) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Abdul Gani Sarfaraz Dhanani	748687	4.27	748687	4.27
Sana Dhanani	716623	4.09	716623	4.09
Nasreen Yusuf Dhanani	715097	4.08	715097	4.08
Rohini S. Udar	526000	3.00	526000	3.00
Shraddha Ankit Gadiya	278600	1.59	278600	1.59
Ankit Gadiya	278600	1.59	278600	1.59
Shashikant Chandramohan Dubey	254850	1.45	254850	1.45
Ramiz Darvesh	122454	0.69	124771	0.71
Trans Agro India Pvt. Ltd.	76000	0.43	76000	0.43
Dilip Kumar Gadiya	59850	0.34	59850	0.34

**iv) Shareholding of Directors and Key Managerial Personnel**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1 Raoof Razak Dhanani</b>				
At the beginning of the year	3898651	22.26%	3898651	22.26%
Date – 04.09.2018 By Sale of Shares	100	0.00	3898751	22.26
At the end of the year	3898751	22.26%	3898751	22.26%
<b>2 Kayum Razak Dhanani</b>				
At the beginning of the year	3638079	20.77%	3638079	20.77%
Changes During the year	-	-	-	-
At the end of the year	3638079	20.77%	3638079	20.77%
<b>3 Suchitra Dhanani</b>				
At the beginning of the year	330029	1.88%	330029	1.88%
Date – 25.03.2019 To Sale of Shares	25000	0.14%	305029	1.74%
Date – 26.03.2019 To Sale of Shares	25000	0.14%	280029	1.60%
At the end of the year	280029	1.60%	280029	1.60%
<b>4 T. N. Unni</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>5 Shaquib Salim Agboatwala</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>6 Abhay Chintaman Chaudhari</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>7 Sandesh Khandelwal</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>8 Amit Sarraf</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-

## PART - B PREFERENCE SHARES

(Preference Share Capital Breakup as % of the total Paid up Preference Share Capital)

### i) Category-wise Shareholding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	0	10,00,000	1000000	100	0	10,00,000	10,00,000	100	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	00	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1):</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 Lac	0	0	0	0	0	0	0	0	0

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
ii) Individual Shareholders holding nominal share capital upto 1 Lac	0	0	0	0	0	0	0	0	0
<b>c) Others (specify)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
i) Shares held Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members/ Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) LLP	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B)</b>	<b>0</b>	<b>1000000</b>	<b>1000000</b>	<b>100</b>	<b>0</b>	<b>1000000</b>	<b>1000000</b>	<b>100</b>	<b>0</b>

\* There is a no Change in preference Shareholding during the year.

## ii) Preference Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Preference shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Preference shares of the Company	% of Shares Pledged / encumbered to total shares	
Saba Raoof Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
Sadiya Raoof Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
Azhar Yusuf Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
Zuber Yusuf Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
Kayum Razak Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
Akanksha Sara Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
Sanya Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
Suchitra Dhanani	125000	12.50	0.00	125000	12.50	0.00	0.00
<b>Total</b>	<b>1000000</b>	<b>100.00</b>	<b>0.00</b>	<b>1000000</b>	<b>100.00</b>	<b>0.00</b>	<b>0</b>



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

	Preference Shareholding at the beginning of the year		Cumulative Preference Shareholding during the year	
	No. of Shares	% of total Paid up Preference shares of the Company	No. of Shares	% of total Paid up Preference shares of the Company
At the beginning of the year	1000000	100.00	1000000	100.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	0	0	0
At the end of the year	1000000	100.00	1000000	100.00

\*There is no Change in preference Shareholding during the year.

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) : Nil**
**v) Shareholding of Directors and Key Managerial Personnel**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1 Suchitra Dhanani</b>				
At the beginning of the year	125000	12.50	125000	12.50
Changes During the year	-	-	-	-
At the end of the year	125000	12.50	125000	12.50
<b>2 Kayum Razak Dhanani</b>				
At the beginning of the year	125000	12.50	125000	12.50
Changes During the year	-	-	-	-
At the end of the year	125000	12.50	125000	12.50
<b>3 Raoof Razak Dhanani</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>4 T. N. Unni</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>5 Shaquib Salim Agboatwala</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
-	-	-	-	-
At the end of the year	-	-	-	-
<b>6 Abhay Chintaman Chaudhari</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>7 Sandesh Khandelwal</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>8 Amit Sarraf</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-

**v. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**(Rs. in Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. 01.04.2018</b>				
i) Principal Amount	7368.19	3324.89	-	10693.08
ii) Interest due but not paid		27.06	-	27.06
iii) Interest accrued but not due	6.21	-	-	6.21
<b>Total (i+ii+iii)</b>	<b>7374.40</b>	<b>3351.95</b>	<b>-</b>	<b>10726.35</b>
Change in Indebtedness during the financial year i.e. 2018-19				
Addition	538.00	1582.12	-	2120.12
-Reduction	1622.51	1231.00	-	2853.51
<b>Net Change</b>	<b>(1084.51)</b>	<b>351.12</b>	<b>-</b>	<b>(733.39)</b>
<b>Indebtedness at the end of the financial year i.e. 31.03.2019</b>				
i) Principal Amount	6285.97	3703.07	-	9989.04
ii) Interest due but not paid	-	23.48	-	23.48
iii) Interest accrued but not due	3.92	-	-	3.92
<b>Total (i+ii+iii)</b>	<b>6289.89</b>	<b>3726.55</b>	<b>-</b>	<b>10016.44</b>

**vi. REMUNERATION OF DIRECTORS AND KMP**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**
**(Rs. in Lakhs)**

S.No.	Particular of Remuneration	Mrs. Suchitra Dhanani	Mr. Raoof Razak Dhanani	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31.46	9.67	41.12
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>31.46</b>	<b>9.67</b>	<b>41.12</b>

\* Inclusive of Leave Encashment

**B. Remuneration to other Directors:**
**1. Independent Directors (Rs. In Lakhs)**

S.No.	Particular of Remuneration	Mr. T. N. Unni	Mr. Pradeep Goyal	Mr. Abhay Chaudhari	Mr. Saquib Agboatwala	Total
1	-Fee for attending Board/Committee Meetings	1.00	0.00	1.00	0.08	2.08
2	-Commission	-	-	-	-	-
3	- Others, please specify	-	-	-	-	-
	<b>Total B.1</b>	<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>0.08</b>	<b>2.08</b>

**2. Non-Executive Directors (Rs. In Lakhs)**

S.No.	Particular of Remuneration	Mr. Kayum Razak Dhanani	Sanjay Ahuja Tourism Finance Corporation of India Ltd.	Total
1	-Fee for attending Board/Committee Meetings	0	0.13	0.13
2	-Commission	-	-	-
3	- Others, please specify	-	-	-
	<b>Total B2</b>	<b>0</b>	<b>0.13</b>	<b>0.13</b>
	<b>Total (B1+B2)</b>			<b>2.21</b>

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

S.No.	Particular of Remuneration	Mr. Sandesh Khandelwal CFO (Rs. In Lakhs)	Mr. Amit Sarraf CS (Rs. In Lakhs)	Total (Rs. In Lakhs)
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24.72	11.04	35.76
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total C</b>	<b>24.72</b>	<b>11.04</b>	<b>35.76</b>

**vii. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES - NONE**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	AUTHORITY [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTOR</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## ANNEXURE '6' TO BOARD'S REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19;

S. No.	Name of Director	Designation	Remuneration paid to Director in FY 2018	Median Remuneration in FY 2019	Ratio
i.	Mrs. Suchitra Dhanani	WTD	31.46	1.51	20.83:1
ii.	Mr. Raoof Razak Dhanani	MD	-	-	-

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; -

S. No.	Name	Designation	Remuneration Paid in FY18 (In Lakhs)	Remuneration Paid in FY 19 (In Lakhs)	Change (In Lakhs)	Change in terms of %
i.	Mrs. Suchitra Dhanani	WTD	31.29	31.46	0.17	0.53%
ii.	Raoof Razak Dhanani	MD	-	9.67	9.67	100%
iii.	Mr. Sandesh Khandewal	CFO	21.57	24.72	3.15	14.60%
iv.	Mr. Amit Sarraf	CS	9.84	11.04	1.2	12.20%

- iii. The percentage increase in the median remuneration of employees in the financial year;

Remuneration FY18 (In Lakhs.)	Remuneration FY19 (In Lakhs)	Increase (In Lakhs)	%
1.38	1.5	0.13	9%

- iv. The number of permanent employees on the rolls of company; -

Name of the Company	No. of Employees on payroll (As on 31.03.18)	No. of Employees on payroll (As on 31.03.19)	% Change during the year
Sayaji Hotels Ltd.	1806	1910	5.76%

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Remuneration paid to employees excluding managerial personal for FY 18 (In lakhs)	Remuneration paid to employees excluding managerial personal for FY 19 (In lakhs)	% change in remuneration paid to employees excluding managerial personal (In lakhs)	Remuneration paid to managerial personal for FY 18 (In lakhs)	Remuneration paid to managerial personal for FY 19 (In lakhs)	% change in remuneration paid to managerial personal (In lakhs)
4679.78	5233.05	11.82%	62.70	76.88	22.62%

- vi. Affirmation that the remuneration is as per the remuneration policy of the Company -

The remuneration provided by the Company to the directors and employees is as per the remuneration policy of the Company.

## ANNEXURE '7' TO BOARD'S REPORT

**FORM NO. AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

Sr. No.	1	2	3	4	5	6
Name of the Subsidiary	Malwa Hospitality Pvt. Ltd	Aries Hotels Pvt. Ltd.	Sayaji Housekeeping Services Ltd.	Sayaji Hotels Management Limited	Sayaji Hotels (Pune) Limited	Sayaji Hotels (Vadodara) Limited
Date of acquiring Subsidiary	26.03.2008	31.03.2014	16.03.2016	14.05.2018	10.05.2018	10.05.2018
Financial year ending on	31.3.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019
Reporting Currency	INR(In Lakhs)	INR(In Lakhs)	INR(In Lakhs)	INR (In Lakhs)	INR (In Lakhs)	INR (In Lakhs)
Exchange rate on the last day of financial year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Share Capital	1334.4	996.35	636.50	5.00	5.00	5.00
Reserve & Surplus	-927.69	296.14	384.80	-4.92	-0.45	-0.14
Total Assets	2322.79	1336.09	1032.95	135.75	4.72	4.98
Total Liabilities excluding equity	1916.08	43.6	11.65	135.67	0.17	0.12
Investments	-	0.1	631.06	-	-	-
Turnover	2611.93	99.53	164.11	34.19	-	-
Profit/(Loss) before Tax	-73.8	-97.19	-162.68	-2.61	-0.36	-0.14
Provision for tax including deferred tax	-3.00	-3.76	9.71	-2.31	-0.09	-
Profit/(Loss) after Tax	-76.08	-100.95	152.97	-4.92	-0.45	-0.14
Proposed Dividend	-	-	0.30	-	-	-
% of shareholding	51.67	52.37	100	100	100	100

### PART B: Associate and Joint Ventures

**Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates or Joint Ventures	Barbeque Nation Hospitality Limited	Winner Hotels Private Limited
1. Latest audited Balance Sheet Date	31.03.2019	31.03.2019
2. Date on which the Associate or Joint Venture was associated or acquired	29.03.2016	15.11.2010
3. Shares of Associate or Joint Ventures held by the Company on the year end No.	-	2300 Equity Shares are held by the Company
Amount of Investment in Associate or Joint Venture	-	Rs. 23000/-
Extend of Holding ( in percentage )	-	23%
4. Description of how there is significant influence	M/s Sayaji Housekeeping Services Ltd (i.e 100% subsidiary of M/s Sayaji Hotels Ltd) holds 45.10% stake in M/s Barbeque Nation Hospitality Ltd therefore it is an associate of M/s Sayaji Hotels Ltd	M/s Sayaji Hotels Limited hold more than 20 % Shareholding in the Winner Hotels Private Limited therefore it is an associate of the Company.
5. Reason why the associate/joint venture is not considered	N.A.	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	18957.20	-0.78
7. Profit or Loss for the year	-2963.30	-0.30
i. Considered in Consolidation	Yes	Yes
ii. Not Considered in Consolidation	-	-



## REPORT ON CORPORATE GOVERNANCE

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]

The Directors present the Company's Report on Corporate Governance for the year ended on 31st March, 2019

- i. The Corporate Governance Standards demonstrate inalienable rights vested with various stakeholders and strong commitments to values, ethics and business conduct. Your Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction. The Company is in compliance with the requirements of corporate governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).
- ii. Our philosophy on Corporate Governance is about intellectual honesty whereby the governance is not just about encompassing regulatory and legal requirements but also strives to enhance stakeholders' value as a whole. Your Company belongs to legacy where the visionary founders laid the stone for good governance through the philosophies of "work to give", implying the duty to work diligently carries the responsibility that one should give something back to others and society and "word is a bond" – which enables one to build trust and confidence with one's stakeholders, including employees, customers and suppliers, where long term relationships could be developed for the benefit of everyone. Thus, the standards of governance are guided by the following principles.
  - Clear and ethical strategic direction and sound business decisions.
  - The effective exercise of ownership.
  - Excellence in corporate governance by abiding the guidelines and continuous assessment of Board processes and the management systems for constant improvisation.
  - Transparent and professional decision making.
  - Greater attention is paid to the protection of minority shareholders rights.
- iii. Our Company recognizes the rights of all the stakeholders and encourages co-operation between the Company and the stakeholders to enable your participation in the corporate governance process.
- iv. Your Company ensures adequate, timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company to the stock exchanges and the investors. Information is prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosure and are disseminated in an equal, timely and cost efficient access to relevant information by users.

### B. KOTAK COMMITTEE ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India ('SEBI') accepted some of the recommendations with or without modifications on 28th March, 2018 of the Kotak Committee on Corporate Governance and consequently, on 9th May, 2018 the SEBI amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Your Company welcomes this progressive step of SEBI and has already been in compliance with many of the recommendations made by the Kotak Committee as part of its Corporate Governance framework. The Company shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

### C. GOVERNANCE STRUCTURE

Sayaji Corporate Governance structure, systems and processes are based on two core principles:

- i. Management must have the executive freedom to drive the enterprise forward without undue restraints, and
- ii. This freedom of management should be exercised within a framework of effective accountability.

Sayaji believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

From this definition and core principles of Corporate Governance emerge the cornerstones of Sayaji's Governance philosophy, namely trusteeship, transparency, ethical corporate citizenship, empowerment, control and accountability. Sayaji believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

**The Company has three tiers of Corporate Governance structure, viz.:**

- i. **Strategic Supervision** – by the Board of Directors comprising the Executive, Non-Executive Directors and Independent Directors.
- ii. **Executive Management** – by the Corporate Management comprising of the, 2 Executive Directors and 1 Non-Executive Director and 3 Independent Director.
- iii. **Operational Management** – by the Business Unit Heads and Unit Financial controller.

The three-tier governance structure, besides ensuring greater management accountability and credibility, facilitates increased autonomy to the businesses, performance discipline and development of business leaders, leading to increased public confidence.

#### D. ETHICS/GOVERNANCE POLICIES-

At Sayaji, written corporate governance policies ensure that organizations are run in a transparent, ethical manner, promoting good business practices. Corporate governance policies, formulated by the board and management and made available to all stakeholders, should ideally address the following:

- Election of directors to the board
- The proportion of executive and non-executive directors on the board
- Disclosure of information on finance and operations
- Composition and independence of audit, nominating and compensation committees
- Executive remuneration
- Board meetings and operations
- Shareholder rights

#### E. BEST CORPORATE GOVERNANCE PRACTICES-

“Corporate governance” doesn’t have a single accepted definition. Broadly, the term describes the processes, practices and structures through which a company manages its business and affairs and works to meet its financial, operational and strategic objectives and achieve long-term sustainability.

Sayaji believes that corporate governance “doesn’t apply” comes from a view that it’s only theoretical and doesn’t impact the bottom line or performance, is costly to implement, is “bureaucratic” (and slows decision-making), it can’t be tailored to a company’s size and stage of development – or all of these. But in reality, all companies compete in an environment where good governance is a business imperative in relation to things like:

- Raising capital;
- Securing debt;
- Attracting and maintaining;
- Meeting the demands and expectations of sophisticated shareholders;
- Preparing for potential acquisition/exit or next phase of the growth.

Right sized governance practices will positively impact long term corporate performance but the company must design and implement those that comply with legal requirements and meet their particular needs. Here are the top 5 corporate governance best practices:

- Build a strong, qualified board of directors and evaluate performance;
- Defining roles and responsibilities;
- Emphasize integrity and ethical dealing;
- Evaluate performance and make principled compensation decisions;
- Engage in effective risk management.

#### F. ROLES OF VARIOUS CONSTITUENTS OF CORPORATE GOVERNANCE IN THE COMPANY

##### i. Board of Directors (the Board):

The Board of Directors (‘the Board’) have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Managing Director of the Company. The Management of the Company is headed by the Managing Director who look after the day to day affairs / management of the Company and perform his duty with the help of respective business / functional heads

##### ii. The Chairman

His primary role is to provide leadership to the Board and guidance and mentorship to the Managing director and Executive Directors for realizing the approved strategic plan and business objectives. He presides over the Board and the Shareholders’ meetings.

##### iii. The Managing Director (MD):

The MD is fully accountable to the Board for the Company’s business development, operational excellence, business results, people development and other related responsibilities.

##### iv. Executive Directors (ED) / Senior Management Personnel:

The Executive Directors, as members of the Board, along with the Senior Management Personnel, contribute to the strategic management of the Company’s businesses within Board approved direction and framework. They assume overall responsibility for strategic management of business and corporate functions including its governance processes and top management effectiveness.

##### v. Non-Executive Directors (NED) / Independent Directors:

The Non-Executive Directors / Independent directors play a critical role in enhancing balance to the Board processes with their independent judgment on issues of strategy, performance, resources, standards of conduct, etc., besides providing the Board with valuable inputs.

#### G. BOARD OF DIRECTORS

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of stakeholder value. The Board also reviews and approves management’s strategic plan & business objectives and monitors the Company’s strategic direction.

#### ROLE OF THE BOARD OF DIRECTORS

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence, and exercises independent judgment. It sets

strategic goals and seeks accountability for their fulfillment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

### SELECTION OF NEW DIRECTORS

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the nomination and remuneration committee, which consists exclusively of independent directors. The committee, based on defined criteria, makes recommendations to the Board on the induction of new directors.

### BOARD MEMBERSHIP CRITERIA

The Board of Directors are collectively responsible for selection of a member on the Board.

The Nomination and Remuneration Committee of the Company follows a defined criterion for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include: -

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

The age limit for a managing director / executive director is 60 years, while the age limit for an independent / non-executive director is 75 years. A director's term may be extended at the discretion of the committee beyond the age of 60 or 75 years with shareholders' approval by passing a special resolution, based on the explanatory statement annexed to the Notice for such motion indicating the justification for the extension of appointment beyond 60 or 75 years as the case may be.

### PERFORMANCE EVALUATION OF THE BOARD

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision making ability, role and effectiveness of the Committees. The Directors completed questionnaires providing feedback on functioning of the Board, Committees and Chairman of the Board.

### SIZE AND COMPOSITION OF THE BOARD

We believe that our Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. Listing Regulations mandate that for a company with a non-executive chairman, who is a promoter, at least half of the Board should be independent directors. As on March 31, 2019, our Board comprised six directors, consisting of three non-executive independent directors, two executive directors (including a woman director), and one Non-Executive director. The Board periodically evaluates the need for change in its size and composition.

The details of the Directors of the Company with regard to outside Directorships and Committee positions held as on 31st March, 2019 are as follows:

Name of the Directors	Designation	Age	Number of Directors ships Held in indian Public/Private Co. including this Co.	Chairman Ship in Board	Committee Position		Attendance at the Annual General Meeting held on 28 Sep. 2018
					Member	Chairman	
Raof Razak Dhanani	Managing Director	55 Years	18	Nil	3	Nil	No
Suchitra Dhanani	Whole Time Director	54 Years	10	Nil	3	2	No
Kayum Razak Dhanani	Non Executive Director	46 Years	14	Nil	4	Nil	No
T. N. Unni	Independent Director	79 Years	6	1	4	2	Yes
Abhay Chintaman Chaudhari	Independent Director	63 Years	4	Nil	3	1	No
Saqui Salim Agboatwala	Independent Director	51 Years	2	Nil	5	Nil	No

## BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (LODR) Regulations, 2015. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the Company has 3 Independent Directors including Chairman of the Board.

## APPOINTMENT AND TENURE

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 1956 / Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of the Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
- The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.
- In accordance, with the notified changes in the SEBI (LODR) Regulations, 2015, the Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members by way of a Special Resolution.

## BOARD COMMITTEES

As on 31.03.2019 the Board currently has 6 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Borrowing & Investment Committee and 6) Scheme Implementation Committee.

**Board and Committee Composition**

Name of the Directors/Members	Board	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Borrowing And Investment Committee	Stakeholders Relationship Committee	Scheme Implementation Committee
Raoof Razak Dhanani	☑				☑		☑
Suchitra Dhanani	☑			☑ ©	☑ ©		☑
Kayum Razak Dhanani	☑						
T.N. Unni	☑ ©	☑ ©	☑	☑		☑ ©	☑
Abhay Chintaman Chaudhari	☑	☑	☑ ©			☑	
Saqib Salim Agboatwala	☑	☑	☑	☑	☑	☑	
Sandesh Khandelwal	☑						☑
Amit Sarraf	☑						☑
☑ © Chairman/Chairperson ☑ Member							

## AVAILABILITY OF INFORMATION TO BOARD MEMBERS

The Board has unrestricted access to all Company-related information, including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Information is provided to the Board members on a continuous basis for their review, inputs and approval periodically. Strategic and operating plans are presented to the Board in addition to the quarterly and annual financial statements.

## INFORMATION TO THE BOARD

The Board of Directors has complete access to the information within the Company, which inter alia includes –

- Annual revenue budgets and capital expenditure plans
- Quarterly results and results of operations of ICs and business segments
- Financing plans of the Company
- Minutes of meeting of Board of Directors, Audit Committee,

Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee

- Details of any joint venture, acquisitions of companies or collaboration agreement
- Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems
- Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any
- Any issue, which involves possible public or product liability claims of substantial nature, including any
- Judgment or Order, if any, which may have strictures on the conduct of the Company
- Developments in respect of human resources
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any

#### **FAMILIARISATION PROGRAMMES**

The Board familiarisation programme comprises the following:-

- Induction programme for new Independent Directors;
- Immersion sessions on business and functional issues;
- Strategy session.



All new Independent Directors are taken through a detailed induction and familiarisation programme when they join the Board of your Company. The induction programme is an exhaustive one that covers the history and culture of Sayaji, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

As part of the induction sessions, the Managing Director provides an overview of the organization its history, culture, values and purpose. The Business and Functional Heads take the Independent Directors through their respective businesses and functions. As a part of the induction programme, Independent Directors also visit the Company's locations and undertake market visits to understand the operations of the Company. The Independent Directors are exposed to the constitution, Board procedures, matters reserved for the Board and major risks facing the business and mitigation programmes. The Independent Directors are made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.





The details of such familiarization programmes for Directors are put up on the website of the Company and can be accessed at <https://www.sayajihotels.com/investors>

#### **KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES**

A brief resume of Directors, nature of their expertise in specific functional areas and names of are hereunder –

S. No	Name of the Directors	Date of Appointment	Profile
1.	T. N. Unni (DIN-00079237)	 31/01/2002	He is a practicing Chartered Accountant and having post qualification experience of more than 47 yrs in accounts, taxation, Corporate Governance etc. At present he is the Chairman of the Board and the Audit Committee.
2.	Raof Razak Dhanani (DIN-00174654)	 14/11/2013	Mr. Raof Razak Dhanani aged 55 Years is a graduate. Earlier he was involved into the fertilizers business through Liberty Phosphate Ltd. (a listed Company. He has approx. 27 years' experience of that industry.  Currently he is serving as a managing director in the Company.



S. No	Name of the Directors	Date of Appointment	Profile
3.	Suchitra Dhanani (DIN-00712187)	 06/02/2014	<p>Mrs. Suchitra Dhanani, aged 53 years holds bachelor's degree in Home science and qualified as Master in Social Works.</p> <p>She is also taking care Guest Satisfaction Index Department and training department of the Company and also involved in day to day matters of the Company.</p> <p>She is designated as Whole-Time Director in the Company and as Director in M/s Barbeque-Nation Hospitality Ltd.</p>
4.	Kayum Razak Dhanani (DIN-00987597)	 30/11/2012	<p>Mr. Kayum Dhanani, aged 46 years is qualified as an IGCS from Cambridge University. Presently he is serving as non-executive director in the Company.</p> <p>He has wide range of experience viz. soles and shoes industry, fertilizers business and hotel &amp; restaurant business.</p> <p>He is also Managing director of the Barbeque-Nation Hospitality Limited(one of the leading restaurant business Company) and Sara Suole Private Limited(one of the major sole manufacturer and exporter in india.)</p>
5.	Abhay Chintaman Chaudhari (DIN-06726836)	 14/02/2017	<p>Mr. Abhay Chintaman Chaudhari, aged 62 years is retired senior Bank officer. He had worked as Chief General Manager in State Bank of India. He was also deputed to other associates Companies of State Bank on time to time basis. He is well versed in finance, capital market, risk management etc.</p>
6.	Saquib Salim Agboatwala DIN- 06611659	 14/02/2019	<p>Mr. Saquib Salim Agboatwala, aged 50 Years is a Chartered Accountant by profession.</p> <p>He had served as President of the Jeddah Chapter of the Institute of Chartered Accountants of India and member of Saudi India Business Forum and Finance Manager &amp; Quality Management Representative in Arabian Computer Projects Company Limited.</p> <p>Currently he has own firm "Oasis Consulting" which has two offices one in Mumbai and another one in Dubai. Oasis is serving as a Consultant and Business Advisors to their clients in India as well in overseas.</p>






























**BOARD SUPPORT**

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, either in the capacity of Secretary of the Committees or Member of the

Committee. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

**DETAILS OF BOARD MEETINGS AND ATTENDANCE DURING THE FINANCIAL YEAR**

During the financial year ended 31st March, 2019, Eight meetings of the Board were held, and their attendance as follows:

S.No.	Name of the Directors	Date of Board Meetings								% of Attendance
		30th May, 2018	14th Aug., 2018	24th Aug., 2018	19th Sep., 2018	14th Nov., 2018	14th Feb., 2019	20th March, 2019	30th March, 2019	
1.	Raoof Razak Dhanani									37.5
2.	Suchitra Dhanani									87.5
3.	Kayum Razak Dhanani									12.5
4.	T.N. Unni									100
5.	Abhay Chintaman Chaudhari									100
6.	Saqib Salim Agboatwala2	NA	NA	NA	NA	NA	NA			-
7.	Pradeep Goyal 1						NA	NA	NA	-
8.	Sanjay Ahuja 3							NA	NA	12.5
<b>Total Strength</b>		7	7	7	7	7	6	6	6	
<b>Total Present</b>		4	4	3	5	3	3	3	3	
 Attended in person / through video conference										

**Notes:**

1. Mr. Pradeep Goyal resigned from the post of the independent director w.e.f. 30th November, 2018.
2. Mr. Saqib Salim Agboatwala is appointed as an additional director (Independent Category) w.e.f. 14th February, 2019.
3. Tourism Finance Corporation of India Ltd. has withdrawn the name of Mr. Sanjay Ahuja, Nominee Director from the Board of the Company with w.e.f 20th February, 2019.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS**

In accordance with the provisions of Section 149(8), Schedule IV of the Act, Regulation 25 (3) of the SEBI (LODR) Regulations, 2015, and SS 2.3 of the Secretarial Standard on the Meetings of Board of Directors, a Meeting of the Independent Directors of your Company was held on 14th February, 2019 without the presence of the Non-Independent Directors and the Members of the Management. The

Independent Directors discussed matters inter alia the performance/ functioning of the Company, reviewing the performance of the Chairman, taking into account the views of Non-Independent Directors, assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, etc.

**INDEPENDENT DIRECTORS' MEETING**

Name of the Committee	Extract of Terms of Reference	During the year under review, the Independent Directors met on 14.02.2019 inter alia to review the performance of following Non-Independent Directors and Board as a whole.	
Independent Directors' Meeting	Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI (LODR) Regulations, 2015 and SS 2.3 of the Secretarial Standard on the Meetings of Board, the meeting has reviewed-  (a) review the performance of non-independent directors and the Board as a Whole  (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;  (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties	Name of the Non Independent Directors	Category
		Mrs. Suchitra Dhanani	Whole- time Director
		Mr. Kayum Razak Dhanani	Non-Executive Director
		Mr. Raoof Razak Dhanani	Managing Director
		Mr. Sanjay Ahuja	Nominee Director of TFCI

**Other Details-**

- Mr. T.N. Unni, Mr. Abhay Chintaman Chaudhari being the Independent Directors, of the Company were present at the meeting and the Company Secretary assisted the said meeting.

**CODE OF CONDUCT**

In compliance with Regulations 17(5) and 26(3) of the SEBI (LODR) Regulations, 2015, the Company has adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company ("the Code"). The Code is applicable to all the Board Members and Senior Management of the Company. Your Company has received confirmations from the Board (incorporating duties of Independent Directors) and the Senior Management personnel regarding their adherence to the said Code.

The Company also has a code of conduct which is applicable to all individuals working in the company. The Company encourages its Business Partners also to follow the code.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review and a declaration to that effect signed by the Managing Director of the Company forms a part of this Annual Report. The Code is available on your Company's website at <https://www.sayajihotels.com/investors>.

A Whistle blower policy has also been put in place. The purpose of the Whistle blower Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their supervisors. A Whistle blowing Officer has been designated for the purpose of receiving and recording any complaints under this policy.

**PREVENTION OF INSIDER TRADING**

In terms of the provisions of the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of the Company ("the Insider Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Directors, Designated Persons and Connected Persons of your Company and its Subsidiaries (as defined under the Insider Code) are covered under the Insider Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in the securities of your Company.

**GOVERNANCE OF SUBSIDIARY COMPANIES**

Your Company monitors performance of subsidiary companies (list of subsidiary companies have been provided in the financial statements), inter-alia, by the following means:

- The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- The minutes of the meetings of the board of directors of the unlisted subsidiary companies were placed at the meetings of the Board of Directors of the Company.
- The management of the unlisted subsidiary have periodically placed before the board of directors of your Company regarding a statement of all significant material transactions and arrangements entered into by the unlisted subsidiary.
- Your Company has not disposed of any shares in its material subsidiary resulting in reduction of its shareholding to less than fifty percent or cease control over the subsidiary.

- Your Company formulated a Policy on Material Subsidiary under SEBI Listing Regulations and the policy is hosted on the website of the Company under the web link.

**F. BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES**

▪ **SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS**

The Company Secretary of the Company draft the agenda for each meeting, along with explanatory notes, in consultation with the Chairman, and distribute these in advance to the directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the AGM. Additional meetings are held when necessary. Independent directors are expected to attend at least four Board meetings in a year.

However, with the Board being represented by independent directors from various parts of the Country, it may not be possible for each one of them to be physically present at all meetings. Hence, we provide video / teleconferencing facilities to enable their participation. Committees of the Board usually meet the day before the Board meeting, or whenever the need arises for transacting business. The Board members are expected to rigorously prepare for, attend and participate in Board and applicable committee

meetings. Each member is expected to ensure their other current and planned future commitments do not materially interfere with their responsibilities with us.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the concerned senior management finalize the agenda of board and Committee meetings.

▪ **RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS**

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

▪ **POST-MEETING FOLLOW-UP SYSTEM**

The guidelines for Board / Committee meetings facilitate an effective post meeting follow up, review and reporting process for decisions taken by the Board and Committees thereof.

Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments / divisions. Action taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committees for noting.

**Disclosure of Relationship between Directors inter-se:**

Name	Relationship	Name of other Directors in inter-se relationship
Mr. Raoof Razak Dhanani	Brother	Mr. Kayum Razak Dhanani
	Sister in Law	Mrs. Suchitra Dhanani
Mr. Kayum Razak Dhanani	Brother	Mr. Raoof Razak Dhanani
	Sister in Law	Mrs. Suchitra Dhanani
Mrs. Suchitra Dhanani	Brother in Law	Mr. Raoof Razak Dhanani
	Brother in Law	Mr. Kayum Razak Dhanani

**No. of Shares held By Non- Executive Director**

Name of Director and KMPs	No. of Shares Held
Mr. Kayum Razak Dhanani	3638079

**G. COMMITTEES OF THE BOARD**

Currently, there are Six Board Committees – the Audit Committee, the Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Borrowing and Investment Committee, Stakeholders relationship committee, Scheme Implementation committee. The terms of reference of the Board Committees are















determined by the Board from time to time, other than the Independent Directors Committee the terms of reference of which have been adopted as prescribed under law. Meetings of each Board Committee are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board with clearance of the Committee Chairman. Minutes of Board Committee meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

**AUDIT COMMITTEE**
**COMPOSITION, MEETING AND ATTENDANCE OF THE MEMBERS OF THE COMMITTEE**

The Committee's composition and terms of reference are in compliance with the provisions of Section 177 of the Companies

Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. The composition of Committee is given in this Report.

During the year under review there are 6 meeting of the committee were held

S.No.	Name of the Directors	Dates of Audit Committee Meetings						% of Attendance
		30th May, 2018	14th Aug., 2018	19th Sep., 2018	14th Nov., 2018	14th Feb., 2019	20th March, 2019	
1.	T.N. Unni							100
2.	Abhay Chintaman Chaudhari							100
3.	Saqib Salim Agboatwala	NA	NA	NA	NA	NA	-	-
4.	Sanjay Ahuja 1	-	-		-	-	NA	17
5.	Pradeep Goyal2	-	-	-	-	NA	NA	-
<b>Total Strength</b>		4	4	4	4	3	3	
<b>Total Present</b>		2	2	3	2	2	2	
 Attended in person / through video conference								

*Note:*

1. *Tourism Finance Corporation of India Ltd. has withdrawn the name of Mr. Sanjay Ahuja, Nominee Director from the Board/Committees of the Company with w.e.f 20th February, 2019.*
2. *Mr. Pradeep Goyal resigned from the post of the independent director w.e.f. 30th November, 2018.*

**PERMANENT INVITEES**

Mr. Sandesh Khandelwal- Chief Financial Officer and M/s K.L Vyas & Co., Statutory and M/s Anirudh Sonpal & Associates, Internal Auditors of your Company are invited to attend the Audit Committee Meetings. In addition, other Senior Management Personnel are also invited to the Audit Committee Meetings from time to time, for providing such information as may be necessary. The Committee and the Company also engage outside experts and advisors to the extent it considers appropriate to assist in its functioning.

**The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures:**

- Efficiency and effectiveness of operations, both domestic and overseas.
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosures.
- Compliance with all relevant statutes.

**Terms of Reference:**

- a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

- b) To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditors;
- c) To recommend the appointment, remuneration and removal of Cost Auditors, where necessary;
- d) To approve transactions of the Company with related parties, including modifications thereto;
- e) To review and monitor the Statutory Auditors' independence and performance, and effectiveness of the audit process;
- f) To evaluate the Company's internal financial controls and risk management systems;
- g) To review with the management, the following:
  - i. Annual financial statements and Auditors' Report thereon before submission to the Board for approval;
  - ii. Quarterly financial statements before submission to the Board for approval;
- h) To review the following:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, Statutory and Internal Auditors;
  - iii. Reports of Internal Audit and discussion with Internal

Auditors on any significant findings and follow-up thereon;






- iv. System for storage, retrieval, security etc. of books of account maintained in the electronic form;
- v. Functioning of Whistle Blower mechanism in the Company.

### **NOMINATION AND REMUNERATION COMMITTEE**

#### **COMPOSITION, MEETINGS AND ATTENDANCE OF THE MEMBERS OF THE COMMITTEE**

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015, as amended from time to time. The composition of Committee is given in this Report.

The committee oversees key processes through which the Company recruit's new members to its Board, and also the processes through which the Company recruits, motivates and retains outstanding senior management and oversees the Company's overall approach to human resources management.

S.No.	Name of the Directors	Dates of Meetings of Nomination and Remuneration Committee		
		14th Aug., 2018	14th Feb., 2019	% of Attendance
1.	T.N. Unni			100
2.	Abhay Chintaman Chaudhari			100
3.	Saqui Salim Agboatwala	NA	NA	-
4.	Sanjay Ahuja 1	-	-	-
5.	Pradeep Goyal 2	-	-	-
<b>Total Strength</b>		4	3	
<b>Total Present</b>		2	2	
 Attended in person / through video conference				

*Note:*

1. *Tourism Finance Corporation of India Ltd. has withdrawn the name of Mr. Sanjay Ahuja, Nominee Director from the Board of the Company with w.e.f 20th February, 2019.*
2. *Mr. Pradeep Goyal resigned from the post of the independent director w.e.f. 30th November, 2018.*

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter alia, includes: -

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;

- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.

#### **Terms of reference:**

- a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- b) Recommend to the Board appointment and removal of such persons;
- c) Formulate criteria for determining qualifications, positive attributes and independence of a director;
- d) Devise a policy on Board diversity;
- e) Formulation of criteria for evaluation of directors, Board and the Board Committees
- f) Carry out evaluation of the Board and directors;
- g) Recommend to the Board a policy, relating to remuneration for the directors and key managerial personnel (Administration of Employee Stock Option Scheme (ESOS).MP);

During the year the Nomination and Remuneration Committee by the approval of the board revised the nomination and remuneration policy in the meeting held on 14th August, 2018. The revised remuneration policy is posted on the website link [https:// www. Sayajihotels .com /data/ NominationandRemunerationPolicy.pdf](https://www.Sayajihotels.com/data/NominationandRemunerationPolicy.pdf)

#### **TERMS OF APPOINTMENT & REMUNERATION –WHOLE-TIME DIRECTOR**

##### **1. MRS. SUCHITRA DHANANI**

<b>Period of Appointment</b>	3 Years (from 06.02.2017 to 05.02.2020)
<b>Salary Grade</b>	Rs. 2,60,738/- <sup>1</sup> Per Month + variable pay
<b>Perquisite &amp; Allowances</b>	Upto the 100% of the salary
<b>Minimum Remuneration</b>	In case of in absence or inadequacy of the profit in any financial year, the Company shall pay the above said remuneration i.e. (Salary+Perquisite& allowances) subject to the maximum of Rs. 5,00,000 per month
<b>Notice Period</b>	180 Days

<sup>1</sup>. With the annual increment as may be decided by the Board of Directors of the Company.



**TERMS OF APPOINTMENT & REMUNERATION –MANAGING DIRECTOR**
**\*1. MR. RAOOF RAZAK DHANANI**

<b>Period of Appointment</b>	3 Years (from 05.11.2018 to 04.11.2023)
<b>Salary Grade</b>	Rs. 200000/- <sup>1</sup> Per Month
<b>Perquisite &amp; Allowances</b>	Upto the 100% of the salary
<b>Minimum Remuneration</b>	In case of in absence or inadequacy of the profit in any financial year, the Company shall pay the above said remuneration i.e. (Salary+ Perquisite & allowances) subject to the maximum of Rs. 7,00,000 per month

<sup>1</sup> With the annual increment as may be decided by the Board of Directors of the Company.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**
**COMPOSITION, MEETINGS AND ATTENDANCE OF THE MEMBERS OF THE COMMITTEE**

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR. The composition of Committee is given in this Report.

The role of the CSR Committee of the Board, under the nomenclature 'CSR and Sustainability Committee', is inter alia to review, monitor and provide strategic direction to the Company's CSR and sustainability practices towards fulfilling its triple bottom line objectives. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods.

<b>S.No.</b>	<b>Name of the Members</b>	<b>Dates of Meetings of Corporate Social Responsibility Committee</b>
1.	Mrs. Suchitra Dhanani	No meetings were held during the Year.
2.	Mr. T.N. Unni	
3.	Mr. Saquib Salim Agboatwala	

**Terms of Reference:**

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share / debenture certificates
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend and so on.

- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Perform such other functions as may be necessary or appropriate for the performance of its duties
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable

**BORROWING AND INVESTMENT COMMITTEE**
**COMPOSITION, MEETINGS AND ATTENDANCE OF THE MEMBERS OF THE COMMITTEE**

The Committee authorizes making of investments/ICDs and the borrowings from lenders including Banks and other persons within the limits prescribed by the Board/Companies Act, 2013. The composition of Committee is given in this Report.

<b>S.No.</b>	<b>Name of the Members</b>	<b>Dates of Meetings of Borrowing and Investments Committee</b>
1.	Mrs. Suchitra Dhanani	No meetings were held during the Year.
2.	Mr. Raoof Razak Dhanani	
3.	Mr. Saquib Salim Agboatwala	

**Terms of Reference :**

- To take decision on borrowing, providing guarantee/security and to make investment subject to the provisions of the Companies Act, 2013 and limit approved by the shareholders of the Company.
- To assists and makes recommendations to the Board on:
  - a. Investment strategy and investment risk management;
  - b. Investment performance and outlook;
  - c. Compliance with the investment component
  - d. External group borrowings;
  - e. Undertaking special projects delegated by the Board.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**
**COMPOSITION, MEETINGS AND ATTENDANCE OF THE MEMBERS OF THE COMMITTEE**

The role of Stakeholders' Relationship Committee includes resolving the grievances of Members, ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee, evaluating performance and service standards of the

Registrar and Share Transfer Agent of the Company. The Committee's composition and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 the Listing Regulations.

S.No.	Name of the Members	Dates of Meetings of Stakeholders' Relationship Committee
1.	Mr. T. N. Unni	No meetings were held during the Year.
2.	Mr. Abhay Chintaman Chaudhari	
3.	Mr. Saquib Salim Agboatwala	

**Terms of Reference :**

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share / debenture certificates

- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend and so on.
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Perform such other functions as may be necessary or appropriate for the performance of its duties
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable

**COMPLIANCE OFFICER**

Mr. Amit Sarraf, Company Secretary, is the Compliance Officer for complying with requirements of Securities Laws.

**DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS**

During the year the Company had received 8 complaints from the shareholders and all their grievances are resolved within the prescribed time.

S.No.	No. of Complaints	2018-19			
		30.06.2018	30.09.2018	31.12.2018	31.03.2019
1.	No. of Complaints received	2	3	3	0
2.	No. of Complaints resolved	2	3	3	0
3.	No. of Complaints unresolved	0	0	0	0

**SCHEME IMPLEMENTATION COMMITTEE**
**COMPOSITION AND FUNCTIONS OF THE COMMITTEE**

S.No.	Name of the Members	Designation
1	Mr. Raoof Razak Dhanani	Member
2.	Mrs. Suchitra Dhanani	Member
3.	Mr. T.N. Unni	Member
4.	Mr. Sandesh Khandelwal	Member
5.	Mr. Amit Sarraf	Member

This Committee is specifically constituted to handle and manage the issues related to the ongoing Composite scheme of Amalgamation and Arrangement between the Company, Sayaji Hotels Management Ltd., Sayaji Hotels (Pune) Ltd., Sayaji Housekeeping Services Ltd. and Ahilya Hotels Ltd.

**Functions of the committee as follows:**

- a. To do all such needful as may otherwise be considered

necessary, desirable, expedient or appropriate including for the purpose of filing the Scheme before the Hon'ble NCLT;

- b. To comply with any conditions or limitations the Hon'ble NCLT or any other statutory authority(ies) may deem fit to direct or impose;
- c. To finalise, approve and issue the Notice of the NCLT convened meeting of shareholders and creditors (if required) along with the applicable information pertaining to the unlisted entity/ies involved in the Scheme as required in the format specified for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) (if required under the SEBI Circular) and the Explanatory Statement thereto as may be directed by the NCLT;
- d. To do all such needful as may be necessary for solving all difficulties that may arise for carrying out in the Scheme; or (e) may modify the scheme as may be necessary; or (f) may do all acts, deeds, matters and things necessary for putting the Scheme into effect."

**H. POLICY AND THE DISCLOSURES**

Particulars	Regulations	Details	Website link for details/policy
Policy on dealing with Related Party Transactions	Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and as defined under the Act.	<p>The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.</p> <p>This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length. All Related Party Transactions entered during the year were in Ordinary Course of the business and on Arm's Length basis.</p>	<a href="https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf">https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf</a>
Details of Non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (c) 10(b) to the (Listing Obligations and Disclosures Requirements) Regulations, 2015	The details related to the non-compliance are separately reported in the Corporate Governance Report.	-
Whistle Blower Policy and Vigil mechanism	Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	<p>The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of Business Principles of the Company.</p> <p>Employees can send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. Mrs. Suchitra Dhanani Competent Authority for effective implementation of the policy and dealing with the complaints registered under the policy.</p>	<a href="https://www.sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf">https://www.sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf</a>

Particulars	Regulations	Details	Website link for details/policy
Policy on Determination of Materiality for Disclosures	Regulation 30(4) (ii) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	This Policy for Determination of Materiality of Events or Information is aimed at for providing guidelines to the management of Sayaji, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s).	<a href="https://www.sayajihotels.com/data/determination-of-materiality.pdf">https://www.sayajihotels.com/data/determination-of-materiality.pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015	<p>The policy is framed for the purpose of systematic identification, categorization, maintenance, review, retention and destruction of documents received or created in the course of business.</p> <p>The policy gives guidelines on how to identify documents that need to be maintained, how long certain documents should be retained, how and when those documents should be disposed of, if no longer needed and how the documents should be accessed and retrieved when they are needed.</p>	<a href="https://www.sayajihotels.com/data/new_july/Policy-for-preservation-of-documents.pdf">https://www.sayajihotels.com/data/new_july/Policy-for-preservation-of-documents.pdf</a>
Compliance with the Discretionary Requirements under the Listing Regulations	Schedule II Part E of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	<ul style="list-style-type: none"> <li>• <b>Audit qualifications</b> : Company's financial statements are unqualified.</li> <li>• <b>The Board &amp; separate posts of Chairman and CEO</b> : The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director /Chief Executive Officer.</li> <li>• <b>Shareholders' rights</b> : The quarterly results uploaded on the website of the Company.</li> <li>• <b>Reporting of Internal Auditor</b>: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.</li> </ul>	-
Policy For Procedure Of Inquiry In Case Of Leak Of Unpublished Price Sensitive Information ("UPSI")	Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]	<p>Your company has adopted policy and procedures for inquiry in case of leak of unpublished price sensitive information.</p> <p>Objective :</p> <p>(a) To strengthen the internal control system to prevent leak of UPSI.</p> <p>(b) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the Company.</p>	<a href="https://www.sayajihotels.com/investors">https://www.sayajihotels.com/investors</a>

Particulars	Regulations	Details	Website link for details/policy
		<p>(c) To have a uniform code to curb the unethical practices of sharing UPSI by Insiders, Employee &amp; Designated Persons with any person, firm, Company or Body Corporate.</p> <p>(d) To initiate inquiry incase of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.</p>	
Policy on Material Subsidiary Companies	Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	<p>The Company has adopted a Policy on Material Subsidiary in line with the requirements of the Listing Regulations.</p> <p>The objective of this policy is to lay down criteria for identification and dealing with Material subsidiaries and to formulate a governance frame work for subsidiaries of the Company.</p> <p>The Company does not have any material subsidiary whose net worth exceeds 10% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 10% of the consolidated income of the Company during the previous financial year.</p> <p>The Audit Committee reviews the financial statements of the Company's unlisted subsidiary Companies.</p>	<a href="https://www.sayajihotels.com/data/Material_Subsidiary_Policy.pdf">https://www.sayajihotels.com/data/Material Subsidiary_Policy.pdf</a>
Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace	As per the requirement of the Companies Act, 2013	As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee (ICC) for each of their units. During the year, the Company didn't receive any complaint.	<a href="https://www.sayajihotels.com/data/new_july/Internal-Complaint-Committee.pdf">https://www.sayajihotels.com/data/new_july/Internal-Complaint-Committee.pdf</a>
Code Of Fair Practices And Procedures For Disclosure Of Unpublished Price Sensitive Information	(Pursuant to Regulation 8(1) and 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015)	<p>The Board of the Company has adopted a Share Dealing Code and formulated the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The details of dealing in Company's shares by Specified Employees (which include Members of the Management Committee and Directors) are placed before the Board for information on quarterly basis.</p> <p>The objective of this Code is to prevent misuse of any unpublished price sensitive</p>	<a href="https://www.sayajihotels.com/investors">https://www.sayajihotels.com/investors</a>

Particulars	Regulations	Details	Website link for details/policy
		<p>information and prohibit any insider trading activity, in order to protect the interest of the Members at large.</p> <p>In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to prohibit insider trading activity and has framed a Share Dealing Code.</p>	
Reconciliation of Share Capital Audit Report	Regulation 55A of the SEBI Depositories and Participants) Regulations, 1996 and SEBI Circular No. D&CC / FITTC/ Cir- 16/ 2002 dated December 31, 2002	A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services(India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	<a href="https://www.sayajihotels.com/investors">https://www.sayajihotels.com/investors</a>
Code of Conduct	Regulation 17 of SEBI Listing Regulations	<p>The Board has adopted the Code of Conduct for the Members of the Board and Senior Management Team.</p> <p>The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The Code also restricts Directors from accepting any gifts or incentives in their capacity as a Director of the Company, except what is duly authorised under the Company's Gift Policy.</p> <p>The Members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board.</p> <p>The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.</p>	<a href="https://www.sayajihotels.com/data/new_aug/Code-of-Conduct-for-Insider-under-SEBI-PIT-Regulations-2015.pdf">https://www.sayajihotels.com/data/new aug/Code-of-Conduct-for-Insider-under-SEBI-PIT-Regulations-2015.pdf</a>



**I. OTHER DISCLOSURES**

**Strictures and Penalties** The Company had complied with the requirements of regulator authorities on capital markets and no penalties/strictures was imposed against it in this years by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority.

▪ **Disclosure on website**

**Following information has been disseminated on the website of the Company at:**

- (a) Annual Reports
- (b) Details of Board of the Directors
- (c) Code of conduct for the Independent Directors
- (d) Corporate Governance
- (e) Composition of the Various committees of the Board of Directors
- (f) Details of the Business
- (g) Financial Results
- (h) Investors Complaint
- (i) Investors Details
- (j) Shareholding pattern
- (k) Whistle Blower/Vigil mechanism
- (l) Terms and conditions for appointment of Independent Directors
- (m) Policies
- (n) Internal Complaint Committee (SHWW Prevention, Prohibition And Redressal) Act, 2013
- (o) Notices
- (p) Reports under Regulation 40(9)
- (q) Reports under Regulation 7(3)
- (r) Reconciliation of the share capital Audit
- (s) Statement of the investors complaint report
- (t) Financial statement of the Subsidiary
- (u) E Voting
- (v) Postal Ballot
- (w) Composite Scheme
- (x) Financial statement of the unlisted Companies

▪ **Public issue/Right Issue**

The Company has not come out with any public issue or right issue etc. during the financial year under review.

▪ **MD / CFO Certification**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The certificate given by Managing Director and the Chief Financial Officer was placed before the board of directors meeting held on 30.05.2019 and the said certificate is annexed and published in this Report.

▪ **Non-Executive Directors' compensation and disclosures**

The Nomination and Remuneration Committee recommends all fees/compensation paid to the Non Executive Directors (including Independent Directors) and thereafter fixed by the Board and approved by the shareholders in the General Meeting, if required. The remuneration paid/payable to the Non-Executive Directors are within the limits prescribed under the Act.

▪ **Disclosure of Accounting Treatment**

Your Company has not adopted any alternative accounting treatment prescribed differently from the Ind AS.

▪ **Commodity price risk or foreign exchange risk and hedging activities:**

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

**J. INTERNAL CONTROL AND WHISTLE BLOWER/VIGIL MECHANISM POLICY**

Your Company's Whistle blower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Sayaji's Code of Conduct that could adversely impact your Company's operations, business performance and / or reputation. The Policy provides that your Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is your Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle blower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistle blower Policy is available on your Company's website.

The reportable matters may be disclosed to Mrs. Suchitra

Dhanani, Whole-Time Director of the Company under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

#### **K. MEANS OF COMMUNICATION:**

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial Performance is at the core of good governance.

We use the following communication channels to engage with various stakeholders:

<b>External Stakeholders</b>	
<b>Stakeholders</b>	<b>Engagement Modes</b>
Shareholders and investors	Press Releases, Info desk – an online service, dedicated email id for investor grievances, Quarterly Results, Annual Reports, Sustainability Reports, Integrated Report, AGM (Shareholder interaction), Investors meet and shareholder visit to works, corporate website.
Suppliers/ Contractors	Regular supplier, dealer and stockiest Meets
Media	Press Releases, Quarterly Results, Annual Reports, Sustainability Reports, AGM (Shareholders interaction), Access to information and responses to queries
Community	Periodic feedback mechanism
Customers	Regular business interactions, Guest satisfaction index
Government	Press Releases, Quarterly Results, Annual Reports, Sustainability Reports

<b>For Internal Stakeholders</b>	
<b>Employees</b>	<b>Employee satisfaction surveys</b>
	Employee engagement surveys for further improvement in employees' engagement process
	Circulars, Messages from Corporate and Line Management
	Circulars, Messages from Corporate and Line Management

<b>For Internal Stakeholders</b>	
<b>Employees</b>	<b>Employee satisfaction surveys</b>
	Corporate Social initiatives
	Welfare initiatives for employees and their families
	Online news bulletins to convey topical developments
	A large bouquet of print and on-line-in-house magazines -Some location-specific, some business specific

- **Financial Results:** Quarterly, Half Yearly & Annual Results are sent to the Stock Exchanges and are also published in prominent daily newspapers viz. Trinity Mirror for English version and Makkal Kural for Tamil Language. Simultaneously, the results are also posted on the Company's website : [www.sayajihotels.com](http://www.sayajihotels.com)
- **Website**  
The Company's website i.e. [www.sayajihotels.com](http://www.sayajihotels.com) contains a separate section namely "Investors" where shareholders' information is available. It provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience.
- **News releases, presentations, among others:** Official news releases and official media releases are sent to Stock Exchange.
- **Annual Report Annual General Meeting:** Annual Report is circulated to all the members and all others like auditors, equity analysts, etc. in order to enable a larger participation of shareholders into the Annual General Meeting of the Company. The Company's Annual Report is also available in downloadable form on the Company's website and can be accessed at([www.sayajihotels.com](http://www.sayajihotels.com)).
- **Management Discussion & Analysis :** This forms a part of the Annual Report which is mailed to the shareholders of the Company.
- **Chairman's Communiqué :** The printed copy of the Chairman's speech is distributed to shareholders at Annual General Meeting.
- **Reminder to Investors :** Your Company had already send three reminders for conversion of their physical shares into demat.
- **Extensive Business Reporting Language ("XBRL") :** XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to

create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs ("MCA") vide its circular No. 8/2012 dated May 10, 2012, (as amended on June 29, 2012), had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

- **A Greener environment - Now and for future:** The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, Your Company encourages its shareholders to register/update the e-mail ids for communication purpose thereby contributing to the environment.
- **Corporate Filing and Dissemination System (CFDS):** The CFDS portal jointly owned, managed and maintained by BSE is a single source to view information filed by listed companies. All disclosures and communications to BSE are filed electronically through the CFDS portal.

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre. In continuation of the Exchange's ongoing endeavour to ensure that critical information / disclosures are available to the investors on real time basis, the Exchange is putting in place a new **Corporate Announcement Filing System (CAFS)**.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

## L. GENERAL SHAREHOLDERS INFORMATION

<b>Company Registration Details</b>	The Company is registered in the State of Chennai, India. The Corporate Identity Number (CIN) allotted to the Company by the ministry of Corporate affairs (MCA) is L51100TN1982PLC124332.
<b>Financial Year</b>	April 1 to March 31
<b>Investors Correspondence</b>	All Members' correspondence should be forwarded to Link Intime India Pvt. Ltd., the Registrar and Transfer Agent of the Company or the Company's dedicated e-mail address for Investors' Complaints and other communications is cs@sayajigroup.com.
<b>Registrar and Transfer Agent</b>	Link Intime India Pvt. Ltd. Category I and the registration number is INR000004058. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400083 Email – shweta.poojari@linkintime.co.in, Phone: 022-25963838, Fax: 022-25946969
<b>Address for Correspondence with the Company</b>	Amber Convention Centre, Bypass Rd, Near Best Price, Hare Krishna Vihar, Nipania, Indore, Madhya Pradesh 452010
<b>Demat ISIN numbers in NSDL &amp; CDSL</b>	INE318C01014
<b>Communication by E-mail:</b>	<p>Shareholders are already requested to intimate their Email Addresses &amp; PAN and changes therein, if any, to Link In time India Private Limited, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.</p> <p>For these action your company had already sent three reminders to the shareholders.</p> <p>Benefits of registering your E-mail address for availing E-communication:</p> <ul style="list-style-type: none"> <li>● it will enable you to receive communication promptly;</li> <li>● it will avoid loss of documents in postal transit; and</li> <li>● it will help in eliminating wastage of paper, reduce paper consumption and, in turn, save trees.</li> </ul>

**Stock Market Data-Exchanges in India**
**Listing on Stock Exchanges**

The Company's shares are listed on the following Stock Exchanges:

Name and Address of the Stock Exchanges	Stock/Scrip Code	ISIN for CDSL/NSDL Dematerialized Shares
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Email: corp.comm@bseindia.com	523710	INE318C01014

**Listing Fees to Stock Exchanges:**

The Annual Listing Fees due to the BSE Limited for the financial year 2018-19 has been paid by the Company.

**Payment of Depository Fees:**

Annual Custody /Issuer fee for the year 2019-20 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

**Bifurcation of shares held in physical and demat form as on 31st March, 2019**

Particulars	No. of Shares	%
Physical Segment	1521242	8.68
Demat Segment		
NSDL(A)	13957877	79.68
CDSL (B)	2038881	11.64
<b>Total (A+B)</b>	<b>15996758</b>	<b>91.32</b>
<b>Total</b>	<b>17518000</b>	<b>100</b>

**Share Price Data:**

Month	BSE Sensex Closed	Equity Share Price			No of Shares Traded during the month	Turnover Rs. In Lakhs
		High	Low	Close		
April-2018	35,160.36	315.00	272.65	292.60	176	21,20,435
May-2018	35322.38	314.00	262.50	314.00	167	22,05,873
June-2018	35423.48	329.00	243.00	270.00	125	9,90,070
July-2018	37606.58	293.25	238.00	269.00	128	15,07,565
Aug.-2018	38,645.07	311.50	253.00	289.00	166	24,94,316
Sept.-2018	36,227.14	303.00	220.00	253.00	115	10,23,160
Oct.-2018	34,442.05	286.00	234.65	235.05	62	4,99,758
Nov.-2018	36,194.30	251.75	223.90	228.20	107	13,94,332
Dec.-2018	36,068.33	278.00	218.85	254.90	334	43,13,481
Jan.-2019	36,256.69	275.00	240.10	265.00	142	20,68,231
Feb.-2019	35,867.44	276.75	245.95	264.85	63	5,67,703
March-2019	38,672.91	279.00	235.10	256.00	118	1,29,00,486

## M. SHAREHOLDER REFERENCER

### GENERAL RIGHTS, OBLIGATIONS AND SAFEGUARDS FOR MEMBERS

The Company endeavours to honour the statutory rights of the members, inter alia, the following:

- To receive not less than 21 clear days' notice of general meetings.
- To receive notice and forms for Postal Ballots in terms of the provisions of the Companies Act, 2013 and the relevant Rules issued thereunder
- To receive copies of Balance Sheet and Statement of Profit and Loss along with all annexures / attachments (Generally known as Annual Report) not less than 21 days before the date of the Annual General Meeting.
- To participate and vote at General Meetings either personally or through proxy (proxy can vote only in case of a poll).
- To receive Dividends and other corporate benefits like Bonus, Rights etc. once approved.
- To demand poll on any resolution at a General Meeting in accordance with the provisions of the Companies Act, 2013.

#### ■ Share transfer System

The share transfer activities under physical mode are carried out by the RTA. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time. The share related information is available online.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt. SEBI has decided that securities of listed companies can be transferred only in dematerialized form.

As required under Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

#### ■ Service of documents

In order to conserve paper and environment, the Ministry of Corporate Affairs (MCA), Government of India, has allowed and envisaged the companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Board's Report, Auditor's Report, etc., to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report to its shareholders in electronic form, at the E-mail address provided by them and made available to it by the Depositories. In case of any change in your E-mail address, you are requested to please inform the same to your Depository (in case you hold the shares in dematerialised form) or to the Company (in case you hold the shares in physical form).

#### ■ Nomination facility

Section 72 of the Companies Act, 2013 provides the facility of nomination to shareholders. This facility is mainly useful for individuals holding shares in sole name. In the case of joint holding of shares by individuals, nomination will be effective only in the event of death of all joint holders.

Shareholders who hold shares in the certificate form and wish to make any nomination / change nomination made earlier in respect of their shareholding in the Company register the same by submitting Form No. SH-13 to the Registrar and Transfer Agent.

#### ■ Permanent Account Number (PAN)

Attention is drawn that Shareholders holding shares in the certificate form are mandatorily required to furnish copy of PAN Card and Bank Account Details in the following cases:

1. Transferee's and Transferor's PAN Cards for transfer of shares.
2. Legal heirs /Nominee's PAN Cards for transmission of shares.
3. Surviving joint holders' PAN Card for deletion of name of deceased shareholders, and
4. Joint Holders PAN Card for transposition of shares.

#### ■ Change of Address and Furnishing of Bank Details

Shareholders holding shares in physical form should notify to the Company, change in their address with Pin Code number and Bank Account details by written request under the signatures of sole/first joint holder.

Beneficial Owners of shares in demat form should send their instructions regarding change of address, bank details, nomination, power of attorney, change in email address, etc., directly to their DP as the said records are maintained by the DPs. To prevent fraudulent encashment of dividend warrants, please provide your Bank Account details to the Company (if shares are held in physical form) or to your DP (if shares are held in demat form), for printing of the same on the dividend warrants.



## ■ Unpaid/Unclaimed Dividend

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

During the year no dividend had been declared by the Company hence there is no amount of unclaimed dividend lying in the books of the Company which require being transfer into Investor Education & Protection Fund. Further that the Company was also not required to transfer any shares on which the dividend remain unpaid for a consecutive seven years.

## ■ Pending Investors' Grievances

We attended to most of the investors' grievances and postal / electronic communications within a period of 10 days from the date of receipt of such grievances. The exceptions have been for cases constrained by disputes or legal impediments. Shareholders may note that the share transfers, dividend payments and all other investor-related activities are attended to and processed at the office of Registrar and Transfer Agents (RTA).

The Company had received 8 Complaints from the shareholders and none of the Complaints are pending for resolve. and listed entities are required to submit the Investor Complaint Details (Regulation 13 (3)) in the Listing Centre website using the web form provided for that purpose. The details of the Investors complaints are also posted on the website of the Company as <https://www.sayajihotels.com/investors>.

## ■ Investor Servicing and Grievance redressal - External Agencies

### (a) Ministry of Corporate Affairs (MCA)

MCA has launched its e-Governance initiative, that is, MCA21, on the MCA portal ([www.mca.gov.in](http://www.mca.gov.in)). One of the key benefits of this initiative is timely redressal of investor grievances. MCA21 system accepts complaints under the e-Form prescribed, which has to be filed online.

The status of complaint can be viewed by quoting the

Service Request Number (SRN) provided at the time of filing the complaint.

## (b) Securities and Exchange Board of India (SEBI)

SEBI, in its end eavour to protect the interest of investors, has provided a platform wherein the investors can lodge their grievances. This facility is known as SEBI Complaints Redress System (SCORES) and is available on the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) and on SCORES' website (<http://scores.gov.in>).

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and Online viewing by investors of actions taken on the complaint and its current status.

All companies against whom complaints are pending on SCORES, have to take necessary steps to resolve the complaint and submit action taken report within thirty days of receipt of complaint and also keep the complainant duly informed of the action taken.

SEBI has issued frequently asked questions SEBI has issued frequently asked questions (FAQs) in respect of SCORES which inter alia lists down the matters which are considered as complaints and handled by SEBI, the matters which are not considered as complaints, how the investor complaints' are handled by SEBI, the arbitration mechanism, etc. These FAQs can be accessed on the link: <http://scores.gov.in/Docs/FAQ-SCORES.pdf>.

## ■ Secretarial Audit as per Companies Act, 2013:

The Company has undertaken Secretarial Audit for the financial year 2018-19 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

Pursuant to the provisions of section 204(1) of the Companies Act, 2013, M/s Ritesh Gupta & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions of the adherence of good corporate practices by the Company.

## ■ E-voting

The businesses as set out in the Notice may be transacted through



electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard 2 on General Meetings and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility

of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL)

**Shareholder voting:**

Shareholders are requested to cast their votes on the resolutions mentioned in Notice of the 36th Annual General Meeting of the Company by using any of the following option:

Vote in advance of the meeting	Remote e-voting at <a href="https://www.evotingindia.com/">https://www.evotingindia.com/</a> Voting through proxy : Sign, date, and return the proxy form on or before September 26, 2019, 5:00 P.M.
Vote in person at the	Please refer to the Notes section in the Notice for details on admission requirements to attend the Annual General Meeting.

**Distribution of Shareholding as on March 31, 2019**

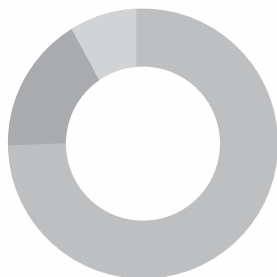
No. of Shares (Slab)	No. of Share holders	%	No. of shares	% of share Capital
1-500	3224	94.63	326551	1.86
501-1000	88	2.58	69151	0.39
1001-2000	36	1.06	53206	0.30
2001-3000	15	0.44	37663	0.22
3001-4000	5	0.15	19169	0.11
4001-5000	6	0.18	29270	0.17
5001-10000	5	0.15	36279	0.21
10001 or more	28	0.81	16946711	96.74
<b>TOTAL</b>	<b>3407</b>	<b>100</b>	<b>17518000</b>	<b>100.00</b>

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository

Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

**Equity Shareholding Pattern as on 31st March, 2019-**

Category	No. of Shares held	%
Promoters and promoter group	1,31,21,626	74.90
Banks, Financial Institutions, Insurance Companies & Mutual Funds		
i. Banks	0	0.00
ii. Financial Institutions	350	0.00
iii. Insurance Companies	0	0.00
iv. Mutual Funds/UTI	4000	0.02
Central & State Governments	0	0.00
Foreign Institutional Investors	0	0.00
NRIs / Foreign Nationals	3036230	17.32
Directors	0	0
Public and Others	1355794	7.74
<b>TOTAL</b>	<b>17518000</b>	<b>100.00</b>

**Equity Shareholding Pattern as on 31st March, 2019**


- Promoters and promoter group
- NRIs/Foreign Nationals
- Public and Others
- Mutual Funds
- Financial Institutions

**Statement showing Shareholding of more than 1% of the Capital as on 31st March, 2019**

S.No.	Name of shareholders	No. of Shares held	% of shareholding
1.	Mr. Raoof Razak Dhanani	3898651	22.26%
2.	Mr. Kayum Razak Dhanani	3638079	20.77%
3.	Ahilya Hotels Limited	2455000	14.01%
4.	Late. Mr. Sajid R. Dhanani	2435511	13.90%
5.	Mr. Abdul Gani Sarfaraz Dhanani	748687	4.27%
6.	Ms. Sana yusuf Dhanani	716623	4.09%
7.	Mrs. Nasreen Yusuf Dhanani	715097	4.08%
8.	Mrs. Rohini S. Udar	526000	3.00%
9.	Mrs. Suchitra Dhanani	320829	1.60%
10.	Mrs. Anisha Raoof Dhanani	296578	1.69%
11.	Mr. Ankit Gadiya	278600	1.59%
12.	Mrs. Shraddha Ankit Gadiya	278600	1.59%
13.	Mr. Shashikant Dubey	254850	1.45%

**N. Particulars of the Last 3 Annual General Meetings/Extra General meeting held-**

i. The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Year	AGM	Date of AGM	Venue of AGM and Time	No of Special Items transacted	Special Resolution passed	Whether Chairman of the Audit Committee has attended the meeting
2017-18	35th AGM	28.09.2018	Re-Gala Party Hall, 113/4, 200 Feet Road, Zamin Pallavaram, Chennai -600117 at 11.00 A.M.	3	1. Reappointment of Mr. Raoof Razak Dhanani as Managing Director and fix remunerations. 2. To reappoint Mr. T. N. Unni as an Independent Director for the Second term of 5 Years. 3. To reappoint Mr. Pradeep Goyal as an Independent Director for the Second term of 5 Years.	Yes

Year	AGM	Date of AGM	Venue of AGM and Time	No of Special Items transacted	Special Resolution passed	Whether Chairman of the Audit Committee has attended the meeting
2017-16	34th AGM	29.09.2017	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	3	1. Appointment of Mr. Abhay Chaudhari as an Independent of the Company for a period of 5 Consecutive Years  2. To reappoint Mrs. Suchitra Dhanani as a whole Time Director for a period of three years.  3. To Revise the remuneration of Mrs. Suchitra Dhanani w.e.f. 1st Apr. 2017.	Yes
2015-16	33rd AGM	29.09.2016	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	1	Appointment of Raoof Razak Dhanani as a Managing Director	Yes

**ii. Extra-ordinary General Meeting**

There was no Extraordinary General Meeting held during the year 2018-2019.

**Details of Resolution passed through postal ballot:**

During the year, the member of the Company have approved the resolutions, stated in below table by requisite majority, by means of the Postal ballot, including Electronic Voting (E-Voting). The Notice of the postal ballot notice dated 19th March, 2018 along with the postal ballot form was send electronically to the members whose email id addresses were registered with the Company /respective depository participants.

In case of the physical shareholding, copies of the postal ballot along with the postal ballot form was sent in physical by permitted mode along with the self-addressed pre-paid business reply envelope. The voting period under postal ballot commenced from Sunday, April 1, 2018 at 9:00 a.m. (IST) and ended on Monday, April 30, 2018 at 5:00 p.m. (IST).

The board had appointed M/s Ritesh Gupta & Company, a practicing Company Secretary as a scrutinizer to conduct the postal ballot process in a fair and transparent manner and had availed the services of CDSL for the purpose of providing e-voting facility.

M/s Ritesh Gupta & Company, scrutiniser had submitted his report on the postal ballot to the chairman on 3rd May, 2018.

The details of the voting pattern are given below:

<b>Resolution-1- Shifting of Registered Office from Vadodara in the state of Gujarat to Chennai in the state of Tamil Nadu (within the jurisdiction of the Registrar of Companies, Chennai) and consequential amendment in Memorandum of Association</b>				
Particulars	No. of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	205	2861229	2861434	16.33
Against the resolution	5	0	5	0.00

**Resolution-2- Revision in the Remuneration of Mr. Raoof Razak Dhanani (Managing Director) of the Company.**

Particulars	No. of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	210	2861229	2861439	16.33
Against the resolution	0	0	0	0.00

**0. OTHER INFORMATIONS**

Board Meeting for consideration of Accounts for the financial year ended on March 31, 2019.	30th May, 2019
Date of closing of the financial year	31st March, 2019
Posting of Annual Reports	on or before 03.09.2019
Book Closure Dates	09th September 2019 to 10th September, 2019
No. of Shares in the Demat & % of the total shares in the Demat	1,59,96,758 Shares (91.32 % of the total paid up capital of the Company)
Total No. of shareholders as at 31.03.2019	3394
Particulars of Shares kept under the suspense A/c as per Regulation 39(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements),2015	N.A./Nil
Details of the outstanding ADR/GDR/ Warrants	Nil
Cutoff date for remote e-voting	21st September, 2019
Remote E-Voting period	24th September, 2019 at 9:00 A.M. and ends on 27th September, 2019 at 5:00 P.M.
Name of the Scrutinizers	M/s Neelesh Gupta & Co., Company Secretaries
Name of the Compliance Officer	Mr. Amit Sarraf
Last date for receipt of Proxy Forms	26.09.2019
Date, Time & Venue of the 36th Annual General Meeting	Date – 28.09.2019 Time – 11.00 am Venue – Flat in Block No. C-3, Door No. F1 (C3/F1), in Sivavel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117 Tamil Nadu
Dividend Payment Date	N.A.
Probable date of dispatch of warrants	N.A.

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## MANAGEMENT RESPONSIBILITY STATEMENT

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal controls stated in the guidelines notes on Audit of Internal Financial Controls over the financial reporting issued by the Institute of Chartered Accountants of India(ICAI).These responsibilities include the design ,implementation and maintenance of the 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.

These financial statements have been audited by M/s K.L. Vyas & Company, Chartered Accountants, the Statutory Auditors of the Company.

**For and on behalf of the Board of Directors**

**Place: Indore**  
**Date: 30.05.2019**

**T.N. Unni**  
**Chairman**  
**DIN-00079237**

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## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

As provided under Regulation 26 and sub- regulation (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2019 as received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**For Sayaji Hotels Limited**

**Place: Indore**

**Date: 30.05.2019**

**Raof Razak Dhanani**  
**Managing Director**  
**DIN- 00174654**

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## COMPLIANCE CERTIFICATE

[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]

To,  
The Board of Directors  
Sayaji Hotels Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sayaji Hotels Limited ("the Company") to the best of our knowledge and belief certify that:

- (A) We have reviewed the Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2018-19 and that to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - (3) No transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (B) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee
- (a) significant changes in internal control over financial reporting during the Financial Year 2018-19
  - (b) significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
  - (c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For : Sayaji Hotels Limited

For : Sayaji Hotels Limited

Date: 30.05.2019  
Place: Indore

Raof Razak Dhanani  
Managing Director  
DIN-00174654

Sandesh Khandelwal  
Chief Financial Officer

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## Auditors Certificate for Corporate Governance Compliance

To  
The Members,  
Sayaji Hotels Limited

We have examined the compliance of conditions of corporate governance by Sayaji Hotels Limited, ('the Company'), for the year ended on March, 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination in accordance with the Guidance Note on reports or certificates for special purpose (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of the ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the standards on quality control (SQC) 1, quality controls for firms that perform Audits and reviews of historical financial information, and other assurance and related service engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For K.L. Vyas & Company,**  
**FRN: 003289C**  
**Chartered Accountants**

**Place : Indore**  
**Date : 28.06.2019**

**(Himanshu Sharma)**  
**Partner**  
**M. No. 402560**

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
Sayaji Hotels Limited,

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Sayaji Hotels Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b><i>Disputed Statutory Liabilities and its Disclosure</i></b></p> <p>The Company operates in multiple States, having multiple jurisdictions and has material disputes with local authorities and tax authorities on various matters which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 46 to the Standalone Financial Statements.</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>Obtained from the management an understanding of various disputes including uncertain tax positions and obtained details of Orders, tax assessments and demands for the year ended March 31, 2019.</p> <p>Analysed orders and correspondences from various authorities and legal opinion taken by management for material disputes.</p> <p>Discussed and analysed management's view on these disputes including estimates made in arriving tax positions.</p> <p>We also analysed and assessed management's estimates of the possible outcome of the disputed matters and its bearing on company's overall financial position.</p>

Key Audit Matter	Auditor's Response
<p><b>Inventory</b></p> <p>The Company operates in Hotels, Restaurants and Banqueting business, where Inventory forms a major part of expense. Looking to the nature of business and type of inventory involved and significant inventory in circulation, there is an inherent risk in control and management of inventory.</p> <p>Refer Notes 1(C)(8)&amp; 11 to the Standalone Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our Audit procedure included both test of internal controls and substantive procedures.</p> <p>Evaluated the design of internal controls relating to recording of transactions involving inventory at each step such as purchase, issue, use and consumption.</p> <p>Full chain of transaction was tested on sampling basis including physical verification of inventory in circulation.</p> <p>Evaluated the process of taking physical stock of inventory in circulation and matching the same with those showing System Records.</p>

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or

to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
- (d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 46 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**(Himanshu Sharma)  
Partner  
M. No. 402560**

**Place of Signature : Indore  
Date : 30<sup>th</sup> May, 2019**

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## **ANNEXURE –A TO THE AUDITORS’ REPORT**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of Sayaji Hotels Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**Place of Signature : Indore  
Date : 30<sup>th</sup> May, 2019**

**(Himanshu Sharma)  
Partner  
M. No. 402560**

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**ANNEXURE –B TO THE AUDITORS’ REPORT**

**ANNEXURE REFERRED TO IN CLAUSE 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SAYAJI HOTELS LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019.**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details of fixed assets, however for some fixed assets, situation of the assets is not given and identification numbers are also not been given, which need to be updated. We have been informed by Management that above Work is in progress.
- (b) Physical verification of fixed assets has been carried out by the Management at most of the Units in accordance with a phased programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the conveyance deed provided to us, we report that, the title deeds, comprising of all the immovable properties of land and buildings which are freehold, are in the name of the Company as at the balance sheet date.

In respect of immovable properties been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, however, there is a notice for cancellation of lease by the Indore Development Authority for cancelling the lease of one leasehold land situated in Indore with carrying value of Rs.2291.62 Lacs, which company is contesting.

- (ii) (a) The physical verification of the inventory is being conducted on a monthly basis by the management and no material discrepancies were noticed.

- (iii) (a) Company has not granted any loan to any Company, firm, LLP or any other party required to be covered in register maintained under section 189 of the Companies Act, 2013.

In view of situation explained as above provisions of clause 3 (iii) (b) & (c) of the Order are not applicable to be Company.

- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, with regard to the deposits accepted from the public. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) Central Government has not prescribed for the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013, for any of the business activity carried by the Company during the year under review.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees’ state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax & cess and other material statutory dues as may be applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, wealth tax, excise duty and cess were in arrears, as at 31.03.2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations

given to us, details of the dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess

which have not been deposited on account of any dispute are given below.

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Total Amount (Rs. In Lakhs)
Finance Act, 1994 and Service Tax laws	Service Tax	Mar.'05-Mar.'09	High Court of M.P., Indore Bench, Indore	256.78
	Service Tax	2009-2011	High Court of M.P., Indore Bench, Indore, within stipulated time.	800.74
	Service Tax	2009-2013	Honourable CESTAT, Mumbai.	39.27
	Service Tax	Apr.'11-Jun.'12	High Court of M.P., Indore Bench, Indore, within stipulated time	538.54
	Service Tax	Apr'12 – Mar.15	Commissioner (Appeals), Ahmedabad.	2.02
	Service Tax	Apr'15 – June 17	Commissioner of Service Tax - Baroda	1.96
	Service Tax	2010-2015	Honourable CESTAT, Mumbai.	46.05
Income Tax Act, 1961	Income Tax	A.Y.09-10 A.Y.10-11 A.Y.11-12 A.Y.12-13 A.Y.14-15	Commissioner of Income Tax (Appeals), Indore.	4.51
			Commissioner of Income Tax (Appeals), Vadodara	1.09
M.P. Value Added Tax Act, 2002	Value Added Tax	2010-11	Appellate Tribunal, Commercial axes, Indore. Commissioner (Appeal), Commercial Taxes, Indore	0.56
		2011-12		10.91
		2011-12		37.72
		2012-13		2.87
		2013-14		0.52
		2014-15		2.94
		2015-16		3.61
M.P. Luxury, Entertainment & Advertisement Tax Act, 2011	Luxury Tax	2012-2013	Commissioner (Appeal), Commercial Taxes, Indore	40.60
		2013-2014		30.85
		2014-2015		26.00
		2015-16		26.04
M.P. Entry Tax Act, 1976	Entry Tax	2012-2013	Commissioner (Appeal), Commercial Taxes, Indore	0.01
		2014-2015		1.76
		2015-16		17.00
M.P. Municipal Corporation Act, 1956	Property Tax	2015-16	The Mayor-In-Council, Indore Municipal Corporation, Indore	55.12
		2016-17		
		2017-18		
Maharashtra Stamp Act, 1958	Stamp duty	2018-19	Inspector General of Registration, Chief Controlling Revenue Authority, Pune	32.40
			<b>TOTAL</b>	<b>1979.87</b>

- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, Government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year, however, the Company has raised term loans during the year and were applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in

compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**Place of Signature : Indore  
Date : 30<sup>th</sup> May, 2019**

**(Himanshu Sharma)  
Partner  
M. No. 402560**

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**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2019**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment	2	14,440.91	14,651.16
(b) Capital work-in-progress	3	150.53	35.47
(c) Intangible assets	4	17.25	71.88
(d) Investment in Subsidiary, Joint Venture & Associate	5	1,341.90	1,953.58
(e) Financial Assets			
(i) Investments	6	0.21	0.44
(ii) Loans	7	716.14	523.92
(iii) Other Financial Assets	8	94.94	94.31
(f) Deferred Tax assets (net)	9	1,280.28	1,353.38
(g) Other non-current assets	10	878.04	935.43
<b>Total Non-Current Assets</b>		<b>18,920.20</b>	<b>19,619.57</b>
<b>2 Current assets</b>			
(a) Inventories	11	1,873.18	1,704.08
(b) Financial Assets			
(i) Investments	12	897.37	870.03
(ii) Trade Receivables	13	411.54	1,214.95
(iii) Cash and Cash Equivalents	14	13.20	-
(iv) Bank balances other than (iii) above	15	124.63	65.93
(v) Loans	16	310.63	205.50
(vi) Other Financial Assets	17	911.45	723.18
(c) Other current assets	18	574.50	-
(d) Assets Held for Sale			
<b>Total Current Assets</b>		<b>5,116.50</b>	<b>4,783.67</b>
<b>TOTAL ASSETS</b>		<b>24,036.70</b>	<b>24,403.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity Share Capital	19	1,751.80	1,751.80
(b) Other Equity	20	5,541.07	5,830.53
<b>Total Equity</b>		<b>7,292.87</b>	<b>7,582.33</b>
<b>2 LIABILITIES</b>			
<b>2.1 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	6,645.24	8,430.70
(ii) Other Financial Liabilities	22	2,065.57	2,084.41
(b) Provisions	23	645.26	570.78
(c) Deferred Tax Liabilities (Net)	9	-	-
(d) Deferred Revenue	24	511.36	579.18
<b>Total Non-Current Liabilities</b>		<b>9,867.43</b>	<b>11,665.07</b>
<b>2.2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	25	2,281.50	1,412.24
(ii) Trade Payables	26		
A. total outstanding dues of micro enterprises and small enterprises; and		16.06	-
B. total outstanding dues of creditors other than micro enterprises and small enterprises.		1,198.80	1,176.48
(iii) Other Financial Liabilities	27	1,758.13	1,292.83
(b) Provisions	28	561.12	485.86
(c) Current Tax Liabilities (Net)	29	10.62	38.70
(d) Other Current Liabilities	30	1,050.17	749.73
<b>Total Current Liabilities</b>		<b>6,876.40</b>	<b>5,155.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,036.70</b>	<b>24,403.24</b>

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

**1-54**  
**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raouf Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary



# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

Rs. in Lakhs Except EPS

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	<b>Income</b>			
II	Revenue From Operations	31	21,824.54	19,150.44
III	Other Income	32	241.62	246.41
IV	<b>Total Revenue (II+III)</b>		<b>22,066.16</b>	<b>19,396.85</b>
V	<b>Expenses :</b>			
	Food and Beverages Consumed	33	4,380.62	4,169.33
	Employee Benefits Expenses	34	5,936.14	5,373.42
	Finance Costs	35	1,591.45	1,374.94
	Depreciation And Amortization Expenses	1&2	2,001.31	2,045.36
	Operating Expenses	36	5,015.88	4,678.91
	Other Expenses	37	2,949.54	2,131.34
	<b>Total Expenses</b>		<b>21,874.94</b>	<b>19,773.30</b>
VI	<b>Profit/(Loss) before exceptional items and tax (IV-V)</b>		<b>191.22</b>	<b>(376.45)</b>
VII	<b>Exceptional items</b>	38	184.89	-
VIII	<b>Profit/(Loss) before tax (VI-VII)</b>		<b>6.33</b>	<b>(376.45)</b>
IX	<b>Tax Expense :</b>			
	(1) Current Tax		249.81	126.44
	(2) Deferred Tax		65.37	(60.99)
	(3) Earlier year taxes		0.64	(18.44)
	<b>Total (IX)</b>		<b>315.82</b>	<b>47.01</b>
X	<b>Profit (Loss) for the year after tax (VIII-IX)</b>		<b>(309.49)</b>	<b>(423.46)</b>
XI	<b>Other Comprehensive Income</b>			
	(a) Items that will not be reclassified to profit or loss			
	(i) Actuarial Gain/(Loss) on Defined Benefit Plan		27.75	92.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(7.72)	(32.08)
	(b) Items that will be reclassified to profit or loss			
	(i) Changes in Cash Flow Hedge Reserve		-	0.56
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(0.19)
	<b>Other Comprehensive Income for the year net of tax</b>		<b>20.03</b>	<b>60.98</b>
XII	<b>Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year)</b>		<b>(289.46)</b>	<b>(362.48)</b>
XIII	<b>Earnings per equity share</b>	39		
	(i) Basic		(2.45)	(3.10)
	(ii) Diluted		(2.45)	(3.10)

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

1-54

For and on behalf of the Board of Directors

**T.N Unni**  
Director  
DIN-00079237

**Raouf Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

### A. Equity Share Capital (Rs. in Lakhs)

Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
1,751.80	-	1,751.80

### B. Other Equity (Rs. in Lakhs)

Particulars	Equity component of compound financial instruments	Reserve and surplus			Effective portion of Cash Flow Hedges	Total
		Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April, 2018	251.66	5,944.60	641.48	(1,007.21)	-	5,830.53
Profit/(Loss) for the year	-	-	-	(309.49)	-	(309.49)
Other Comprehensive Income for the year	-	-	-	20.03	-	20.03
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>(289.46)</b>	-	<b>(289.46)</b>
Cash dividends	-	-	-	-	-	-
Dividend distribution tax on cash dividend	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>251.66</b>	<b>5,944.60</b>	<b>641.48</b>	<b>(1,296.67)</b>	-	<b>5,541.07</b>

### A. Equity Share Capital (Rs. in Lakhs)

Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
1,751.80	-	1,751.80

### B. Other Equity (Rs. in Lakhs)

Particulars	Equity component of compound financial instruments	Reserve and surplus			Effective portion of Cash Flow Hedges	Total
		Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 1st April, 2017	251.66	5,944.60	641.48	(644.36)	(0.37)	6,193.01
Profit/(Loss) for the year	-	-	-	(423.46)	-	(423.46)
Other Comprehensive Income for the year	-	-	-	60.61	0.37	60.98
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>(362.85)</b>	<b>0.37</b>	<b>(362.48)</b>
Cash dividends	-	-	-	-	-	-
Dividend distribution tax on cash dividend	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>251.66</b>	<b>5,944.60</b>	<b>641.48</b>	<b>(1,007.21)</b>	-	<b>5,830.53</b>

Significant Accounting Policies and other Notes 1-54  
These notes form an integral part of these financial statements in terms of our report attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raouf Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**
**(Rs. In Lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax from continuing operations</b>	<b>34.08</b>	<b>(283.20)</b>
<b>Non-cash/Non-Operating adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation & Amortisation including adjustments	2,001.31	2,045.36
Deferred Income Amortisation	(77.01)	(87.75)
Deferred Expense Amortisation	9.15	9.15
Excess provision written back	(20.94)	-
(Profit) /Loss on Sale/Disposal of Property, Plant & Equipment	89.72	(0.69)
Interest Expense	1,548.14	1,374.94
Interest Received	(90.32)	(97.52)
Prepaid Lease charges on Security Deposit	15.77	15.77
Prepaid Lease income on Security Deposit	(4.68)	(4.71)
Foreign Exchange (gain)/ loss on Derivative Liability	43.31	(12.78)
Impairment Loss	52.41	-
Lease Rent	94.35	-
Balances Written off	29.05	-
Provision for doubtful debts made	4.75	-
<b>Operating profit before Working Capital changes</b>	<b>3,729.09</b>	<b>2,958.57</b>
<b>Adjustments for :</b>		
Increase/(Decrease) in other liabilities	293.86	143.46
Increase/(Decrease) in other financial liabilities	414.36	(155.77)
Increase/(Decrease) in provisions	170.68	57.18
Increase/(Decrease) in trade payables	38.38	397.07
Decrease/(Increase) in loans(financial assets)	(274.66)	(412.80)
Decrease/(Increase) in other Bank Balances	(13.20)	25.60
Decrease/(Increase) in Inventories	(169.10)	(274.65)
Decrease/(Increase) in trade receivable	(61.14)	(236.29)
Decrease/(Increase) in other assets	(135.34)	165.83
Decrease/(Increase) in other financial assets	(105.76)	(109.37)
<b>Cash generated from operations</b>	<b>3,887.17</b>	<b>2,558.83</b>
Taxes (Paid)/Refund	(278.53)	(57.91)
<b>Net Cash from Operating Activity (A)</b>	<b>3,608.64</b>	<b>2,500.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(1,941.21)	(1,245.04)
Sale/Disposal of Property, Plant & Equipment	-	3.92
Deferred Revenue received	-	22.40
Investment made in Subsidiaries	(15.00)	-
Maturity/(Investment) in Non Current Fixed Deposits	-	(5.94)
Interest Received	19.70	91.03
<b>Net Cash Flow from Investing Activity(B)</b>	<b>(1,936.51)</b>	<b>(1,133.63)</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long Term Borrowings	(2,034.15)	(652.19)
Proceeds/(Repayment) of loans from others	572.45	434.19
Interest Paid/other borrowing cost paid	(1,310.65)	(1,176.08)
<b>Net cash used in Financing Activity (C)</b>	<b>(2,772.35)</b>	<b>(1,394.08)</b>
<b>Net increase/decrease in cash and cash equivalents(A+B+C)</b>	<b>(1,100.22)</b>	<b>(26.79)</b>
Cash and cash equivalents at the beginning of the year	956.81	983.60
Cash and cash equivalents at the close of the year	(143.41)	956.81

**Notes :**

1. The above cash flow statement has been prepared under the indirect method set out in Ind AS -7 'Statement of Cash Flows'.

2. For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(Rs. In Lakhs)

	As at March 31, 2019	As at March 31, 2018
Balance with Banks	370.80	1,101.14
Cash on hand	40.74	43.63
Investment in Mutual Fund	-	70.18
Less: Bank Overdraft	(554.95)	(258.14)
	<b>(143.41)</b>	<b>956.81</b>

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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**Significant Accounting Policies for the FY 2018-19:- Separate Financial Statements**

**NOTE 1 :**

**A. Reporting entity**

Sayaji Hotels Limited (SHL" or the "Company"), is a company domiciled in India and limited by shares (CIN: L51100TN1982PLC124332). The shares of the company are publicly traded on Bombay Stock Exchange of India Limited. The address of the Company's registered office is F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram Chennai TN 600117 IN. The Company is primarily engaged in the business of owning, operating & managing hotels.

The Financial Statements for the year ended 31st March, 2019 were approved by Board of Directors and authorized for issue on 30th May, 2019

**B. Basis of Preparation**

**1. Statement of Compliance**

These Separate Financial Statements are prepared on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable), applicable provisions of the Companies Act, 1956.

**2. Basis of measurement/Use of Estimates**

- (i) The Financial Statements are prepared on accrual basis under the historical cost convention except certain financial assets and liabilities (including derivatives instruments) that are measured at fair value. The methods used to measure fair values are discussed in notes to financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

Assets held for sale has been measured at fair value less cost to sell.

- (ii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in Part D.

**3. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.

**C. Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

**1. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

## Significant Accounting Policies for the FY 2018-19:- Separate Financial Statements

- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

## 2. Property Plant & Equipment

### 2.1. Initial recognition and measurement

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, borrowing cost, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

### 2.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in profit or loss as incurred.

### 2.3. Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, are recognized in the statement of profit and loss.

### 2.4. Depreciation/amortization

Depreciation of each part of an item of Property, Plant and Equipment are recognized in profit or loss on a Written Down Value Method over the estimated useful lives as prescribed in Schedule II of Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of assets had been re-assessed as under based on technical evaluation, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support.

#### Class of Assets

#### Useful Life

Assets constructed on leased premises.

Over the lease period

Leasehold lands are amortized over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

## 3. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the



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lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Again or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### **4. Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

### **5. Intangible assets and intangible assets under development**

#### **5.1. Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

#### **5.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

#### **5.3. Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

#### **5.4. Amortization**

Intangible assets having definite life are amortized on Written Down Value method in their useful lives. Useful life of computer software is estimated at five years. If life of any intangible asset is indefinite then it is not amortized and tested for Impairment at the reporting date.

### **6. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

All other borrowing costs are charged to revenue as and when incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 –

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'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 – 'Leases' (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and (d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

### **7. Investment in Subsidiary, Associate & Joint Venture**

These are Company's Separate Financial Statements. Company has opted to show investments in Subsidiary, Associates & Joint Venture at cost. Dividend from these is recognized as and when right to receive is established.

Impairment loss is recognized as per Ind AS 36.

### **8. Inventories**

Stock of Food and Beverages and stores and operating supplies are carried at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, including duties and taxes (other than those refundable). Cost is determined on Weighted Average Basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is as ascertained on review and provided for.

### **9. Cash and Cash Equivalent**

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

### **10. Government Grants**

Government grants that compensate the company for the cost of asset are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant and are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

### **11. Provisions and contingent liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

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### 12. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### 13. Revenue Recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" which introduces the five-step model described as follows:-

1. Identify the contract with a customer.
2. Identify the separate performance obligations in the contract.
3. Determine the transaction Price.
4. Allocate the transaction price to the separate performance obligations.
5. Recognize revenue when (or as) each performance obligation is satisfied.

#### Revenue from operations:

The Company derives revenues primarily from sale of rooms, food and beverages, allied services relating to hotel operations such as management fees for the management of the hotels.

- A.** Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company presents revenues net of indirect taxes in statement of Profit and loss.

**B. Trade receivables and Contract Balances**

The company recognises contract assets on an amount equals to consideration related to goods and services already transferred to customers when the right to receive such consideration is conditioned upon something other than passage of time.

Unconditional right to receive consideration are recognised as trade receivable.

Trade receivable and contract assets are subject to impairment as per Ind AS 109 'Financial Instruments'.

The company recognises amount already received from customer against which transfer for goods and services are not made as contract liability.

#### Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

#### Dividend

Dividend Income is recognized when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

#### Other Income

Other Income is recognized in the statement of profit and loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

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### 14. Employee Benefits

#### 14.1 Short Term Benefit

Short-term employee benefit obligations are measured on an un-discounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 14.2 Post-Employment benefits

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two type:

##### 14.2.1 Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contribution to separate entities under the plan and will have no legal or constructive obligation to pay further amounts to employee in future under the Plan. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation.

##### 14.2.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

#### 14.3 Long Term Employee Benefit

Benefits under the Company's leave encashment constitute other long term employee benefits.

Leave Encashment is determined based on the available leave entitlement at the end of the year.

### 15. Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case is the current and deferred tax are also recognized in OCI or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under 'Income tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance, current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent it is probable evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer probable that Company will be able to absorb such credit during the specified period.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

### **16. Leases As Lessee**

#### **Accounting for finance leases**

Leases of Property, Plant and Equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized as Finance Lease Payable. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

#### **Accounting for operating leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight- line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

### **17. Impairment of Non-financial Assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of goodwill of that CGU, if any and then the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **18. Operating Segments**

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. For management purpose company is organized into major operating activity of hoteliering in India. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

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### 19. Dividends

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

### 20. Material Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

### 21. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 22. Statement of Cash Flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.

### 23. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 23.1. Financial assets

##### Initial recognition and measurement

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

##### Subsequent measurement

##### Debt instruments at amortized cost

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

##### Debt instrument at FVTOCI (Fair Value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.



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**Debt instrument at FVTPL (Fair value through profit or loss)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity investments**

All equity investments in entities other than subsidiaries, associates and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However the company may transfer cumulative gain or loss within the equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries, associate and joint ventures are measured at cost.

**Derecognition**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
- Lease Receivables under Ind AS 17.
- Loan Commitments which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18, if they do not contain a significant financing component

Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent

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period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

### **23.2 Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **Derecognition**

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

#### **Derivative financial instruments**

The Company uses forwards to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

#### **Hedges that meet the criteria for hedge accounting are accounted for as follows:**

##### **a) Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

##### **b) Fair Value Hedge**

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

- 24.** The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either

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their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/investments, impairment charges, exchange gain/loss on long term borrowings/ assets and changes in fair value of derivative contracts.

### D. Major Estimates made in preparing Financial Statements

#### 1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

#### 2. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

#### 3. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

#### 4. Impairment Test of Non-Financial Assets

The recoverable amount of investment in subsidiary is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

### E. Recent Accounting Pronouncements

**Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- 1) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- 2) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- a) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

## Significant Accounting Policies for the FY 2018-19:- Separate Financial Statements

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 12 – Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- a) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- b) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 2: PROPERTY PLANT & EQUIPMENT**
**(Rs. In Lakhs)**

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2018	Additions	Deletions/ Adjustment	As at 31.03.2019	Upto 01.04.2018	For the Year	Deletions/ Adjustment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Freehold Land	2,637.00	-	(2.16)	2,634.84	-	-	-	-	2,634.84	2,637.00
Leasehold Land	2,114.11	30.50	-	2,144.61	61.93	30.98	-	92.91	2,051.70	2,052.18
Buildings	10,186.12	919.34	(94.94)	11,010.52	2,267.51	1,266.23	(64.20)	3,469.54	7,540.98	7,918.61
Plant and Equipments	1,823.75	425.37	(112.70)	2,136.42	535.68	250.54	(18.68)	767.54	1,368.88	1,288.07
Furniture & Fixtures	987.79	378.67	(54.82)	1,311.64	519.40	259.78	(41.43)	737.75	573.89	468.39
Service Equipment	222.80	48.76	(17.00)	254.56	80.49	66.41	(10.88)	136.02	118.54	142.31
Vehicles	111.53	26.34	(2.74)	135.13	29.74	22.77	(13.36)	39.15	95.98	81.79
Computers	205.31	28.63	(7.90)	226.04	142.50	32.75	(5.31)	169.94	56.10	62.81
<b>Total</b>	<b>18,288.41</b>	<b>1,857.61</b>	<b>(292.26)</b>	<b>19,853.76</b>	<b>3,637.25</b>	<b>1,929.46</b>	<b>(153.86)</b>	<b>5,412.85</b>	<b>14,440.91</b>	<b>14,651.16</b>

**(Rs. In Lakhs)**

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2017	Additions	Deletions/ Adjustment	As at 31.03.2018	Upto 01.04.2017	For the Year	Deletions/ Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Freehold Land	2,637.00	-	-	2,637.00	-	-	-	-	2,637.00	2,637.00
Leasehold Land	2,114.11	-	-	2,114.11	30.95	30.98	-	61.93	2,052.18	2,083.16
Buildings	9,398.68	793.11	(5.67)	10,186.12	1,021.41	1,250.65	(4.55)	2,267.51	7,918.61	8,377.27
Plant and Equipments	1,746.81	84.28	(7.34)	1,823.75	271.87	270.27	(6.46)	535.68	1,288.07	1,474.94
Furniture & Fixtures	955.76	58.38	(26.35)	987.79	202.93	342.54	(26.07)	519.40	468.39	752.83
Service Equipment	83.27	144.69	(5.16)	222.80	32.44	53.16	(5.11)	80.49	142.31	50.83
Vehicles	125.87	31.13	(45.47)	111.53	40.54	32.40	(43.20)	29.74	81.79	85.33
Computers	181.52	23.79	-	205.31	94.62	47.88	-	142.50	62.81	86.90
<b>Total</b>	<b>17,243.02</b>	<b>1,135.38</b>	<b>(89.99)</b>	<b>18,288.41</b>	<b>1,694.76</b>	<b>2,027.88</b>	<b>(85.39)</b>	<b>3,637.25</b>	<b>14,651.16</b>	<b>15,548.26</b>

**NOTE 3 : CAPITAL WORK-IN-PROGRESS**
**(Rs. In Lakhs)**

Particulars	As at 01.04.2018	Additions	Capitalised during the year	As at 31.03.2019
Capital work in progress	35.47	115.06	-	150.53
<b>Total</b>	<b>35.47</b>	<b>115.06</b>	<b>-</b>	<b>150.53</b>

**(Rs. In Lakhs)**

Particulars	As at 01.04.2017	Additions	Capitalised during the year	As at 31.03.2018
Capital work in progress	7.36	28.11	-	35.47
<b>Total</b>	<b>7.36</b>	<b>28.11</b>	<b>-</b>	<b>35.47</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**The amount of expenditures recognised in CWIP during construction period**
**(Rs. In Lakhs)**

Particulars	For the year Ended as on 31.03.2019	For the year Ended as on 31.03.2018
<b>(a) Expenses Recognised in P/L</b>		
Employee Benefits Expenses	-	-
<b>Total expenses</b>	-	-
<b>(b) Capital Inventory and stores</b>	115.06	28.11
<b>Total additions during the year (a) + (b)</b>	<b>115.06</b>	<b>28.11</b>

^carried to Capital Work in Progress (Note 3)

**NOTE 4 : INTANGIBLE ASSETS**
**(Rs. In Lakhs)**

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2018	Additions	Deletions/ Adjustment	As at 31.03.2019	Upto 01.04.2018	For the Year	Deletions/ Adjustment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Software & Licences	99.16	17.20	-	116.36	27.28	71.85	(0.02)	99.11	17.25	71.88
<b>Total</b>	<b>99.16</b>	<b>17.20</b>	<b>-</b>	<b>116.36</b>	<b>27.28</b>	<b>71.85</b>	<b>(0.02)</b>	<b>99.11</b>	<b>17.25</b>	<b>71.88</b>

**(Rs. In Lakhs)**

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2017	Additions	Deletions/ Adjustment	As at 31.03.2018	Upto 01.04.2017	For the Year	Deletions/ Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Software & Licences	16.24	82.92	-	99.16	9.80	17.48	-	27.28	71.88	6.44
<b>Total</b>	<b>16.24</b>	<b>82.92</b>	<b>-</b>	<b>99.16</b>	<b>9.80</b>	<b>17.48</b>	<b>-</b>	<b>27.28</b>	<b>71.88</b>	<b>6.44</b>

**NON CURRENT ASSETS**
**NOTE 5 : Investment in Subsidiary**
**(Rs. In Lakhs)**

Particulars	Number of shares Current Year / (Previous Year) / [Date of Transition]	Face Value per share Current Year / (Previous Year) / [Date of Transition]	As at 31st March, 2019	As at 31st March, 2018
<b>Subsidiary* (Unquoted at cost)</b>				
Sayaji Housekeeping Services Ltd (Equity Shares)	6,365,000 (6365000)	10 (10)	636.50	636.50
Sayaji Housekeeping Services Ltd (Preference Shares)	10,000 (10000)	10 (10)	1.00	1.00
Malwa Hospitality Pvt. Ltd. (Equity Shares)	6,893,998 (6893998)	10 (10)	689.40	689.40
Sayaji Hotels(Vadodara) Limited	50000	10	5.00	-
Sayaji Hotels Management limited	50000	10	5.00	-
Sayaji Hotels(Pune) Limited	50000	10	5.00	-
Aries Hotels Pvt Ltd.**	5218000	10	-	770.20
Less: Provision for Impairment			-	(143.52)
<b>Total</b>			<b>1,341.90</b>	<b>1,953.58</b>
<b>Aggregate value of unquoted investments</b>			<b>1,341.90</b>	<b>1,953.58</b>

\* As per Ind AS 27 (Separate Financial Statements)

\*\* Aries Hotels Pvt Ltd has been held for sale in Current year and is thus classified as the same under Note No.18



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 6 : Non Current Financial Asset: Investments**
**(Rs. In Lakhs)**

Particulars	Number of shares Current Year / (Previous Year)	Face Value per share Current Year / (Previous Year)	As at 31st March, 2019	As at 31st March, 2018
<b>A. Trade Investments (Unquoted At FVTPL#)*</b>				
Genex Hotels Pvt. Ltd.	1,100	10.00	0.11	0.11
	(1,100)	(10.00)		
Winner Hotels Pvt. Ltd	2,300	10.00	0.23	0.23
	(2,300)	(10.00)		
Less: Provision for Impairment			(0.23)	-
<b>Sub-Total (A)</b>			<b>0.11</b>	<b>0.34</b>
<b>B. Other Investments (Unquoted at FVTPL)*</b>				
Bharat Equity Services Ltd.	100,000	10.00	0.10	0.10
	(100000)	(10.00)		
<b>Sub-Total (B)</b>			<b>0.10</b>	<b>0.10</b>
<b>Total (A+B)</b>			<b>0.21</b>	<b>0.44</b>
<b>Aggregate value of unquoted investments</b>			<b>0.21</b>	<b>0.44</b>

\* As per Ind AS 27 (Separate Financial Statements)

# FVTPL - Fair value through Profit & Loss

**NOTE 7 : Non Current Financial Asset: Loans**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good		
Security Deposits*	716.14	523.92
Less: Receivables credit impaired	-	-
Less: Receivable with significant increase in credit risk	-	-
<b>Total</b>	<b>716.14</b>	<b>523.92</b>

\*As on 31.03.2019 Include Rs. 682.34 lacs (Previous year Rs. 462.15 lacs) deposit given to Prinrite Hospitality Pvt Ltd and Rs.51.31 lacs (Previous year Rs. 46.05 Lakhs) given to M/s Vicon Imperial Private Ltd.

**NOTE 8 : Non-current Financial Assets : Others**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed Deposits Against lien & Bank Guarantee*	94.94	94.31
<b>Total</b>	<b>94.94</b>	<b>94.31</b>

\*Maturity after 12 months & pledged with bank against margin money.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 9 : Deferred Tax assets (net)**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>On account of Timing Difference in</b>		
Expenses Disallowed under I.T. Act., 1961	179.51	206.50
Depreciation on fixed assets	1,081.88	1,120.80
Security deposit (Assets)	11.71	8.96
Security deposit (Liabilities)	(4.25)	0.31
Leasehold Land	2.32	2.64
Impairment on value of Investment in subsidiaries	49.67	49.67
Cash flow Hedge	(0.19)	(0.19)
<b>Total Deferred Tax Assets</b>	<b>1,320.65</b>	<b>1,388.69</b>
Life Membership fees	(2.78)	5.44
Transaction cost on borrowings	43.15	29.87
<b>Total Deferred Tax Liabilities</b>	<b>40.37</b>	<b>35.31</b>
<b>Net Deferred Tax(Liability)/Assets*</b>	<b>1,280.28</b>	<b>1,353.38</b>
<b>Amount debited/(Credited) to Profit &amp; Loss Statement</b>	<b>73.09</b>	<b>(60.80)</b>

\* Deferred tax liability for the year have been arrived at by taking the tax rate of 27.82% (31 March, 2018 34.944%) which is inclusive of education cess.

**Movement in Deferred Tax Asset/Liability For the Year Ended As on 31.03.2019**
**(Rs. In Lakhs)**

Particulars	Opening Balance as at 01.04.2018	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2019
<b>Deferred tax assets:</b>				
Expenses Disallowed under I.T. Act., 1961	206.50	(19.27)	(7.72)	179.51
Depreciation on fixed assets	1,120.80	(38.92)	-	1,081.88
Security deposit (Assets)	8.96	2.75	-	11.71
Security deposit (Liabilities)	0.31	(4.56)	-	(4.25)
Leasehold Land	2.64	(0.32)	-	2.32
Impairment on value of Investment in subsidiaries	49.67	-	-	49.67
Cash flow Hedge	(0.19)	-	-	(0.19)
<b>Total Deferred Tax Assets</b>	<b>1,388.69</b>	<b>(60.32)</b>	<b>(7.72)</b>	<b>1,320.65</b>
<b>Deferred tax Liabilities:</b>				
Life Membership fees	5.44	(8.22)	-	(2.78)
Transaction cost on borrowings	29.87	13.28	-	43.15
<b>Total Deferred Tax Liabilities</b>	<b>35.31</b>	<b>5.06</b>	<b>-</b>	<b>40.37</b>
<b>Net Deferred Tax(Liability)/Assets</b>	<b>1,353.38</b>	<b>(65.38)</b>	<b>(7.72)</b>	<b>1,280.28</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Movement in Deferred Tax Asset/Liability For the Year Ended As at 31st March, 2018**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2017	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2018
<b>Deferred tax Liabilities:</b>				
Other Ind AS Adjustments	13.62	(8.18)	-	5.44
Transaction cost on borrowings	30.87	(1.00)	-	29.87
Deferred tax assets:				
Expenses Disallowed under I.T. Act., 1961	248.77	(42.27)	-	206.50
Depreciation on fixed assets	1,030.91	89.89	-	1,120.80
On cash Flow hedge reserve	0.19	-	(0.19)	-
Others	57.20	4.19	-	61.39
<b>Net Tax (assets)/liabilities</b>	<b>(1,292.58)</b>	<b>(60.99)</b>	<b>0.19</b>	<b>(1,353.38)</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 10 : Other non-current assets**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Prepaid Lease Charges	697.28	757.12
Capital Advances*	20.81	19.42
Raipur Lease- Stamp Duty Payment Unamortised	56.23	60.91
Electricity Deposit	103.72	97.98
<b>Total</b>	<b>878.04</b>	<b>935.43</b>

\*Given for business purpose.

**CURRENT ASSETS**
**NOTE 11 : Inventories**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(Valued at cost or NRV whichever is less &amp; certified by management)</b>		
Operating Supplies	1,724.06	1,579.16
Food & Beverages	149.12	124.92
<b>Total</b>	<b>1,873.18</b>	<b>1,704.08</b>

**Disclosure As per Ind AS 2, Inventories**

**(i) Amount of inventories recognised as expense during the year is as under:**

**(Rs. In Lakhs)**

Particulars	For the year 2018-19	For the year 2017-18
Operating Supplies	1,270.78	1,207.41
Food & Beverages	4,380.62	4,169.33
<b>Total</b>	<b>5,651.40</b>	<b>5,376.74</b>

(ii) Refer Note 25.1 for information on inventory pledged as security by the Company.

**NOTE 12 : Current Financial Assets: Trade Receivables**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured</b>		
Considered Good	934.34	902.25
Less: Receivable with significant increase in credit risk	(36.97)	(32.22)
Less: Receivables credit impaired	-	-
<b>Total</b>	<b>897.37</b>	<b>870.03</b>

**NOTE 13 : Cash and Cash Equivalents**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Cash on Hand</b>	40.74	43.63
<b>Balances with Bank</b>		
In current Accounts With Scheduled Bank	370.80	1,101.14
Investment in Liquid Fund	-	70.18
<b>Total</b>	<b>411.54</b>	<b>1,214.95</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 14 : Bank balances other than above**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed Deposits Against lien (with less than 12 months maturity)	13.20	-
<b>Total</b>	<b>13.20</b>	<b>-</b>

**NOTE 15 : Current Financial Assets: Loans**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered good</b>		
Staff Advances & Loan	22.75	19.17
Other loans and advances*	101.88	46.76
Less: Receivables credit impaired	-	-
Less: Receivable with significant increase in credit risk	-	-
<b>Total</b>	<b>124.63</b>	<b>65.93</b>

\*Loans and advances have been given for business purposes.

**NOTE 16 : Current Financial Assets: Other**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Telephone Deposit	0.34	0.34
Others	312.01	206.88
Less: Provision for doubtful advances	(1.72)	(1.72)
<b>Total</b>	<b>310.63</b>	<b>205.50</b>

**NOTE 17 : Other Current Assets**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Prepaid Expenses	117.20	118.27
Current portion of Unamortised Stamp Duty Payment of Raipur Lease	4.69	4.69
Prepaid lease charges	96.07	35.35
Other current assets *	-	0.21
Advance to suppliers for goods & services*	65.20	44.38
Balance with Govt. authorities	628.29	520.28
<b>Total</b>	<b>911.45</b>	<b>723.18</b>

\*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.

**NOTE 18 : Asset Held for Sale**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in Subsidiary		
Aries Hotels Private Limited	770.20	-
Less: Provision for Impairment	(195.70)	-
(52,18,000 shares of Rs 10 each)		
<b>Total</b>	<b>574.50</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**EQUITY**
**NOTE 19 : Equity Share Capital**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>AUTHORISED</b>		
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity Shares of Rs.10/- each)	3,000.00	3,000.00
1,000,000 Preference Shares of Rs. 100/- each (Previous year 1,000,000 Preference Shares of Rs. 100/- each)	1,000.00	1,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>ISSUED</b>		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>
<b>SUBSCRIBED &amp; PAID-UP</b>		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>

**Terms/rights attached to equity shares :**

**19.1** The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2019, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (31 March 2018, Rs. Nil)

**19.2** Details of Share holders holding more than 5% of Shares are as under:-

Name	Category	As at 31st March, 2019		As at 31st March, 2018	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Late Shri Sajid R. Dhanani*	Promoter	13.90%	2435511	13.90%	2435511
Raooof Razak Dhanani	Promoter	22.26%	3898751	22.26%	3898651
Kayum Razak Dhanani	Promoter	14.61%	2559288	14.61%	2559288
Ahilya Hotels Limited	Promoter	14.01%	2455000	14.01%	2455000

\*(Share transmission is pending in the name of legal heirs)

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**19.3** Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Name	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	Rs. in Lakhs	No of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	175,180,000	1,751.80	175,180,000	1,751.80
Add : Fresh issue during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>175,180,000</b>	<b>1,751.80</b>	<b>175,180,000</b>	<b>1,751.80</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**19.4** Preference Share Capital issued by the company are treated as Compound Financial Instruments in terms of Ind AS 32- Financial Instrument: Presentation. Accordingly same is classified as other equity and borrowings. Necessary disclosures are given in note no. 20 & 21

**NOTE 20 : Other Equity**
**(Rs. In Lakhs)**

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
Equity Component of Cumulative Preference Shares	20.1	251.66	251.66
Securities Premium Reserve	20.2	5,944.60	5,944.60
General Reserve	20.3	641.48	641.48
Retained Earnings	20.4	(1,296.67)	(1,007.21)
Cash Flow Hedge Reserve	20.5	-	-
<b>Total</b>		<b>5,541.07</b>	<b>5,830.53</b>

**(Rs. In Lakhs)**

	Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>20.1</b>	<b>Equity Component of Compound financial instrument</b>		
	Opening at beginning	251.66	251.66
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>251.66</b>	<b>251.66</b>
<b>20.2</b>	<b>Securities Premium Reserve</b>		
	Opening at beginning	5,944.60	5,944.60
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>5,944.60</b>	<b>5,944.60</b>
<b>20.3</b>	<b>General Reserve</b>		
	Opening at beginning	641.48	641.48
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>641.48</b>	<b>641.48</b>
<b>20.4</b>	<b>Retained Earnings</b>		
	Opening at beginning	(1,007.21)	(644.36)
	Adjustments relating to Fixed Assets	-	-
	Addition during the year	(309.49)	(423.46)
	Net actuarial Gain / (Loss) on defined benefit plan	20.03	60.61
	<b>Closing at end</b>	<b>(1,296.67)</b>	<b>(1,007.21)</b>
<b>20.5</b>	<b>Cash Flow Hedge Reserve</b>		
	Opening at beginning	-	(0.37)
	Addition during the year	-	0.37
	<b>Closing at end</b>	<b>-</b>	<b>-</b>
	<b>Total Other Equity</b>	<b>5,541.07</b>	<b>5,830.53</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**Terms/rights attached to preference shares :**

**20.6** That during Financial year 2014-15 company had issued 10,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs.50/- each. Out of above, pending 83338 shares were subscribed & paid up during the year 2015-16.(P.Y. 10,00,000 Preference Shares) of Rs.100/- each)

**20.7** That above shares are to be redeemed within five years from the date of issue of same, at the rate of Rs. 220/- per preference share.

**20.8** These shares are in the nature of compound financial instruments. And so they are bifurcated into equity and liability component in accordance with Ind AS 32. Equity component is computed as below:

Particulars	(Rs. in Lakhs)
Preference Share Capital (Subscribed and paid up)	1,000.00
Add: Securities Premium on issue	500.00
Less: Liability component (Present value of Contractual Cash Outflows)	(1,751.66)
<b>Equity Component</b>	<b>(251.66)</b>

**20.9** That above Preference share holders are having preference over payment of dividend to equity share holders and accordingly arrears of preference dividends is required to be cleared before payment to Equity Share holders. And on the date of Balance Sheet, dividend on preference shares for more than 3 years are in arrears. And accordingly vide Second Proviso to Section 47(2) of the Companies Act, 2013, in case company is unable to pay dividend on preference shares for two years or more then such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

**20.10** Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:-

Name	Category	As at 31st March, 2019		As at 31st March, 2018	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Saba Dhanani	Promoter	12.5%	125000	12.5%	125000
Azhar Dhanani	Promoter	12.5%	125000	12.5%	125000
Zuber Yusuf Dhanani	Promoter	12.5%	125000	12.5%	125000
Sadiya Dhanani	Promoter	12.5%	125000	12.5%	125000
Kayum Dhanani	Promoter	12.5%	125000	12.5%	125000
Sara Dhanani	Promoter	12.5%	125000	12.5%	125000
Sanya Dhanani	Promoter	12.5%	125000	12.5%	125000
Suchitra Dhanani	Promoter	12.5%	125000	12.5%	125000

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**NOTE 21 : Non Current Financial Liabilities: Borrowings**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>A. Secured Borrowing</b>		
<b>Term Loans</b>		
From Banks	2,482.88	3,426.78
From Financial Institutions	303.92	700.00
From NBFC	1,844.84	2,106.07
<b>Total(A)</b>	<b>4,631.64</b>	<b>6,232.85</b>
<b>B. Unsecured Borrowing</b>		
Liability Component of Cumulative Preference Shares	2,013.60	1,797.85
Loans from Related Parties	-	400.00
<b>Total(B)</b>	<b>2,013.60</b>	<b>2,197.85</b>
<b>Total(A+B)</b>	<b>6,645.24</b>	<b>8,430.70</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**21.1** All Secured loans have been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months and summarized outstanding position is as under:

(Rs. In Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
<b>From Banks</b>				
State Bank of India	364.00	928.27	204.96	1,301.92
Axis Bank Ltd	618.96	1,501.55	173.54	2,103.99
HDFC Bank Ltd	15.43	53.06	5.79	20.87
<b>Sub Total (i)</b>	<b>998.39</b>	<b>2,482.88</b>	<b>384.29</b>	<b>3,426.78</b>
<b>From Financial Institutions</b>				
TFCI	400.00	303.92	506.21	700.00
<b>Sub Total (ii)</b>	<b>400.00</b>	<b>303.92</b>	<b>506.21</b>	<b>700.00</b>
From NBFC				
Aditya Birla Finance Ltd	259.85	1,844.84	251.05	2,106.07
<b>Sub Total (iii)</b>	<b>259.85</b>	<b>1,844.84</b>	<b>251.05</b>	<b>2,106.07</b>
<b>GRAND TOTAL (i)+(ii)+(iii)</b>	<b>1,658.24</b>	<b>4,631.64</b>	<b>1,141.55</b>	<b>6,232.85</b>

**21.2 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN**

**21.2.1** Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, HDFC Bank Ltd.

**21.2.2** Term loans outstanding of State Bank of India include term loans account. Loan are secured by way of mortgage of land & building at Indore hotel, Amber garden Indore, Vadodara & Pune & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered to the bankers for securing the working capital finance. The terms of repayment of all term loans of State Bank of India is on quarterly basis & interest is payable on monthly basis.

**21.2.3** Term loans outstanding of Axis Bank Ltd include term loans account and corporate loan. Term loan outstanding is secured by way of first charge on Company's entire fixed assets, present & future, ranking parri passu with other existing term lenders. The term of repayment is on quarterly basis for term loan and monthly basis for corporate loan & interest is payable on monthly basis.

**21.2.4** Vehicle loans outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.

**21.2.5** Secured term loans from Financial Institutions & others includes term loan outstanding of Tourism Finance Corporation of India Ltd (TFCIL) and Aditya Birla Finance Limited.

**21.2.6** Term loan outstanding from TFCIL is secured on pari-passu basis by way of mortgage of land & building at Indore, Pune & Vadodara & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. And by way of Mortgage of lease hold right of Amber Garden, Indore along with building Structure thereon and first charge by way of hypothecation of movables of Bhopal Club project, Bhopal. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis, This loan is personally guranteed by Smt Suchitra Dhanani.

**21.2.7** Corporate loan outstanding from Aditya Birla year is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Amber Garden, Pune and Vadodara and Hypothecation of the plant and machinery and other movable fixed assets of company (present and future except vehicles Funded through Vehicle Loan). The term of repayment of principal and interest is on monthly basis.

**NOTE 22 : Non Current Financial Liabilities: Other**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 1st March, 2018
Deposits From Tenants	46.96	66.31
Finance lease payable	18.61	18.10
Others*	2,000.00	2,000.00
<b>Total</b>	<b>2,065.57</b>	<b>2,084.41</b>

\*Payable towards cancellation of agreement for land at Indore hotel. This amount is now payable within 2 years. Interest @ 9% p.a is payable on the outstanding amount.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 23 : Provisions**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Gratuity	272.88	283.10
Leave Encashment*	372.38	287.68
<b>Total</b>	<b>645.26</b>	<b>570.78</b>

\*The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

**NOTE 24 : Deferred Revenue**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Subsidy received from M.P. State Tourism Development Corp. Ltd.*		
Balance at the beginning of the year	600.44	681.50
Add: Received During the Year	-	-
Less: Amortised During the Year	(70.32)	(81.06)
	530.12	600.44
Less : Current Portion	(61.13)	(70.33)
<b>Non Current Balance at the end of the year</b>	<b>468.99</b>	<b>530.11</b>
(b) Life Membership Fees		
Balance at the beginning of the year	55.75	40.05
Add: Received During the Year	-	22.40
Less: Amortised During the Year	(6.69)	(6.69)
	49.06	55.76
Less : Current Portion	(6.69)	(6.69)
<b>Non Current Balance at the end of the year</b>	<b>42.37</b>	<b>49.07</b>
<b>Total Balance at the end of the year</b>	<b>511.36</b>	<b>579.18</b>

\*During year 2016-17, company has received Capital Subsidy under M.P. Tourism Policy, 2010 (as amended in 2014) amounting to Rs. 729.93 Lacs against its "Amber Convention Centre", Indore. As per AS-12 "Accounting for Government Grants", the above subsidy is treated as deferred income and is recognised in profit and loss account on a systematic and rational basis over the useful life of assets. Such allocation has been made over the periods and in proportions in which depreciation on "Amber Convention Centre" is charged.

**CURRENT LIABILITIES**
**NOTE 25 : Current Financial Liabilities : Borrowings**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>A. Secured</b>		
Working capital facilities from Banks	554.95	258.14
<b>Total (A)</b>	<b>554.95</b>	<b>258.14</b>
<b>B. Unsecured</b>		
Loans From related parties	1,007.79	901.06
Loans From others	718.76	253.04
<b>Total (B)</b>	<b>1,726.55</b>	<b>1,154.10</b>
<b>Total (A+B)</b>	<b>2,281.50</b>	<b>1,412.24</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**25.1** Working capital facilities include Cash Credit Facilities from State Bank of India outstanding Rs. Nil lacs (31 March 2018, Rs. 8.07 lacs) & Axis Bank outstanding Rs.554.95 lacs (31 March 2018, Rs.250.07), both of which are secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. of the company and also by way of a second charge on the immovable properties of the company at Indore, Baroda and Pune.

**25.2** Loans from related parties & others includes loan from directors & associate companies.

**NOTE 26 : Current Financial Liabilities: Trade Payables**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables*		
(A) Dues of micro enterprises and small enterprises	16.06	-
(B) Dues of creditors other than micro enterprises and small enterprises	1,198.80	1,176.48
<b>Total</b>	<b>1,214.86</b>	<b>1,176.48</b>

\*Trade payables are for goods purchased and services taken during the normal course of business.

**26.1** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 The principal amount and the interest due thereon remaining unpaid to any supplier as at the year end:

Principal amount due to micro and small enterprises	16.06	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, alongwith the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-

**26.2** Trade Payable having scheduled payment beyond 12 months after reporting date Rs. NIL (31 March 2018, Rs. Nil)

**NOTE 27 : Current Financial Liabilities: Other**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Long-Term Loans*		
<b>A. Secured Term Loans</b>		
From Banks	998.39	384.29
From Financial Institutions	400.00	506.21
From NBFC	259.85	251.05
<b>Total (A)</b>	<b>1,658.24</b>	<b>1,141.55</b>
<b>B. Others</b>		
Creditors for capital Expenditure	43.12	135.61
Finance Lease Obligation	1.89	1.89
Prepaid Lease Income	22.78	26.56
Derivative Liabilities	32.10	(12.78)
<b>Total (B)</b>	<b>99.89</b>	<b>151.28</b>
<b>Total (A+B)</b>	<b>1,758.13</b>	<b>1,292.83</b>

\* Refer note no.- 21.1 & 21.2 for loanwise current maturities and other terms and conditions.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 28 : Provisions**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Gratuity	64.96	9.39
Leave Encashment	22.82	12.67
Bonus	190.09	182.58
Provision for Expenses	283.25	281.22
<b>Total</b>	<b>561.12</b>	<b>485.86</b>

**NOTE 29 : Current Tax Liabilities (Net)**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for current year Tax	10.62	38.70
<b>Total</b>	<b>10.62</b>	<b>38.70</b>

**NOTE 30 : Other Current Liabilities**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance received from customers	286.11	247.61
Current portion of deferred revenue	67.82	77.02
Statutory Dues	337.91	405.77
Advance received for sale of Investments*	275.99	-
Bank Overdrafts	5.19	-
Others	77.15	19.33
<b>Total</b>	<b>1,050.17</b>	<b>749.73</b>

30.1 Advances received from customers includes advances against future bookings for functions to be held in next 12 months.

30.2 Statutory dues includes GST, VAT, luxury tax, TDS, service tax & other statutory payables.

30.3 Other current liabilities includes rent payable, interest payable and staff dues.

30.4 Advance received for sale of Investment in subsidiary (Aries Hotels Private Ltd) from promoters of the company such investment is classified as held for sale (Refer note no 18).

**NOTE 31 : Revenue From Operations**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Sale of Products &amp; Services (Gross)</b>		
Rooms	7,608.77	6,379.19
Food and Beverages	12,214.93	11,079.70
Other Services*	2,000.84	1,691.55
<b>Total</b>	<b>21,824.54</b>	<b>19,150.44</b>

\*Revenue from others services includes income from club, rental income and income from banquet service etc.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 32: Other Income**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Earned*	90.32	97.52
Other Non –Operating Income	60.04	48.75
Sundry Balances Written back	-	7.09
Excess/(Short) Provision of Earlier Year Written Back	20.94	11.99
Deferred Revenue Income (Subsidy)	70.32	81.06
<b>Total</b>	<b>241.62</b>	<b>246.41</b>

\*Includes interest on Bank deposits Rs. 9.31 Lacs (PY Rs. 3.27Lacs) & on loans & advances and other security deposits Rs 81.01 Lacs (PY Rs. 94.25 Lacs)

**NOTE 33 : Food & Beverages Consumed**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening Stock	124.93	139.16
Add : Purchases*	4,404.81	4,155.10
	<b>4,529.74</b>	<b>4,294.26</b>
Less : Closing Stock	149.12	124.93
<b>Total</b>	<b>4,380.62</b>	<b>4,169.33</b>

\*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.

**NOTE 34 : Employee Benefit Expenses**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, Wages and Allowances	5,309.93	4,742.48
Contribution to P.F. and other Funds	360.23	343.32
Workmen and Staff Welfare Expenses	96.20	102.28
Workmen and Staff Uniform Expenses	169.78	185.34
<b>Total</b>	<b>5,936.14</b>	<b>5,373.42</b>

**NOTE 35 : Finance Cost**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on term Loan	838.30	833.72
Interest on Others	489.52	326.63
Finance cost on lease payable	2.47	2.41
Other expenses	2.11	31.76
Finance cost on Preference Share	215.74	192.63
Foreign Exchange Fluctuation	43.31	(12.21)
<b>Total</b>	<b>1,591.45</b>	<b>1,374.94</b>

Interest expense includes interest paid on term loans & vehicle loans. Interest on others includes interest on unsecured loans credit facilities. Other expenses includes bank charges, processing fees & upfront fees of loans. Other borrowing cost includes forward premium.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 36 : Operating Expenses**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Stores & Operating Supplies*	698.17	685.93
Repairs and Maintenance		
Building	163.38	269.17
Plant & Machinery	165.69	167.46
Others	173.07	214.64
Laundry Expenses	237.95	241.88
Guest pick up Expenses	291.22	245.70
Cable TV Expenses	23.82	24.72
Banquet Service Expenses	856.07	655.22
Other Operating Expenses**	572.61	521.48
Power and Fuel	1,833.90	1,652.71
<b>Total</b>	<b>5,015.88</b>	<b>4,678.91</b>

\*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

\*\*Other Operating Expenses includes house keeping & upkeeping expenses, expenses for F&B operations & club.

**NOTE 37 : Other Expenses**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Lease Rent	1,608.07	976.44
Rates & Taxes	173.98	164.60
Insurance	26.03	25.40
Travelling and Conveyance	115.46	119.04
Postage, Telegram and Telephones	75.07	73.29
Advertisement and Publicity	89.87	80.75
Legal & Professional	231.81	211.78
Printing and Stationery	53.55	59.19
Credit Card Commission	115.50	93.66
Other Expenses	274.27	284.36
Auditors' Remuneration		
Statutory audit	8.00	8.00
Certification other matters	2.00	2.00
Sundry Balances W/off	29.05	-
Provision for doubtful debts	4.75	33.52
Loss on Impairment of Investment	52.41	-
Loss On Disposal/Retirement of Assets	89.72	(0.69)
<b>Total</b>	<b>2,949.54</b>	<b>2,131.34</b>

**NOTE 38 : Exceptional Items (Income) / Expense**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Litigation Settlement*	184.89	-
<b>Total</b>	<b>184.89</b>	<b>-</b>

\*Litigation Settlement of Rs. 184.89 lakhs (Net) is the settlement amount as per the District Court order dated 23.02.2019 in the matter of dispute between the company and party regarding a portion of land. Company has got clear possession of the land as per the Court's order.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 39 : Earnings Per Share**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a) Amount used as the numerator profit after tax	(309.49)	(423.46)
Less: Dividend on Preference Shares & Income Tax Thereon	120.56	120.36
Net Profit/(Loss) attributable to equity share holders	(430.05)	(543.82)
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	17,518,000	17,518,000
Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.	-	-
Weighted average number of shares used in computing Diluted Earning per Share	17,518,000	17,518,000
c) Nominal value per share	10.00	10.00
d) Earnings Per Share:		
- Basic	(2.45)	(3.10)
- Diluted	(2.45)	(3.10)

**NOTE 40 : Disclosure as per Ind AS-7, Cash Flow Statement**
**The Company has accessed the following undrawn facilities at the end of reporting period**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Working capital Loans</b>		
Expiring Within One Year	320.05	1,291.86
<b>Floating Rate Borrowings</b>		
Expiring Within One Year	131.00	631.00

**NOTE 41 : Disclosure As per Ind AS-12 Income Taxes**
**i) Income Tax recognised in statement of profit & loss account.**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Current Tax Expenses</b>		
Current year	249.81	126.44
Adjustment for earlier year	0.64	(18.44)
<b>Total current Tax expenses</b>	<b>250.45</b>	<b>108.00</b>
Deferred Tax Expenses	65.37	(60.99)
<b>Total Income tax expenses</b>	<b>315.82</b>	<b>47.01</b>

**ii) Income tax recognised in other comprehensive income**
**(Rs. In Lakhs)**

Particular	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Before tax	Tax expense/ Benefit	Net of tax	Before tax	Tax expense/ Benefit	Net of tax
-Net actuarial gain/loss on defined benefit plan	27.75	(7.72)	20.03	92.69	(32.08)	60.61
-Changes in cash flow hedge reserve	-	-	-	0.56	(0.19)	0.37

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Profit before tax</b>	<b>6.33</b>	<b>(376.45)</b>
<b>Tax using company's domestic tax rate 34.944%(P.Y. 34.608%)</b>	<b>1.76</b>	<b>(130.28)</b>
Add: Earlier Year tax	0.64	(18.44)
Add: Expenses not Allowed in Income Tax	267.61	31.96
Less: Others Rate of tax	-	97.10
Add: Deferred Tax Expense	65.37	-
Add: Exempt Income	(19.56)	66.67
<b>Tax as per Statement of Profit &amp; Loss</b>	<b>315.82</b>	<b>47.01</b>
<b>Effective Rate Of Tax</b>	<b>4993.27%</b>	<b>-12.49%</b>

**NOTE 42 : Disclosure as per Ind AS-17, Leases**

The Company has taken certain hotels on non-cancellable operating lease.

As required under the Ind AS-17 on 'Leases', lease payments recognized for the year and the future minimum lease payments are as follows:

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Lease payment recognized in statement of Profit or Loss	1,608.07	976.44
Contingent rent recognised in Profit or Loss	-	-
<b>Total</b>	<b>1,608.07</b>	<b>976.44</b>

**Operating Leases**
**Lease as Lessee**

The Company has taken land on operating lease. The lease of hotel properties are generally long term in nature with varying terms and renewal rights expiring within five years to one hundred & ninety eight years. On renewal, the terms of the leases are renegotiated. The total lease rent paid on the same is included under Lease Rent forming part of Other Expenses Refer note no 37

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Minimum Lease payment</b>		
Not later than one year;	751.56	600.24
Later than one year and not later than five years;	3,006.24	2,911.33
Later than five years;	3,202.20	3,949.52
<b>Total</b>	<b>6,960.00</b>	<b>7,461.09</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**Financial Leases**
**Lease as Lessee**

The company acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. These leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Future lease rentals are recognised as 'Finance lease obligation' at their present values. The leasehold land is amortised considering the significant accounting policies of the company.

**(Rs. In Lakhs)**

Particular	31st March, 2019		31st March, 2018	
	MLP	Present value of MLP	MLP	Present value of MLP
Not Later than one year	1.95	1.89	1.95	1.89
Between one and five years	9.76	5.59	9.76	6.60
More than five years	219.57	13.03	219.57	11.50
<b>Total MLP</b>	<b>231.28</b>	<b>20.51</b>	<b>231.28</b>	<b>19.99</b>
Less amount representing finance charges	210.77	-	211.29	-
<b>Present value of MLP'S</b>	<b>20.51</b>	<b>-</b>	<b>19.99</b>	<b>-</b>

**NOTE 43 : Disclosure as per Ind AS-19, Employee benefits**
**(a) Defined benefit plan**

The Company makes annual contributions to the Employee's Group Gratuity scheme of the SBI Life Insurance Co. Ltd., a funded defined benefit plan for the qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the terms of the scheme. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the status of the funded gratuity plan and the amounts recognized in the company's financial statements as at March 31, 2019:-

**Changes in Present Value of Obligation**
**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Present value of obligation as on last valuation	292.50	303.68
Current Service Cost	75.03	52.24
Interest Cost	22.53	23.38
Participant Contribution	-	-
Plan Amendments: Vested portion at end of period (Past Service)	-	5.56
Plan Amendments: Non-Vested portion at end of period (Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	1.84	(73.30)
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(29.50)	(19.06)
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other (Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	362.39	292.50

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**Changes in Fair Value of Plan Assets**
**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Fair value of Plan Assets at Beginning of period	17.91	11.69
Interest Income	1.55	0.90
Employer Contributions	5.00	5.00
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	0.01	-
Benefits Paid	-	-
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange Rates	-	-
Administrative Expenses and Insurance Premium	-	-
Return on Plan Assets excluding Interest Income	0.09	0.32
Fair value of Plan Assets at End of measurement period	24.54	17.91

**Table Showing Reconciliation to Balance Sheet**
**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Funded Status	(337.84)	(274.59)
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial gain/loss at end of the period	-	-
Post Measurement Date Employer Contribution(Expected)	-	-
Unfunded Accrued/Prepaid Pension cost	-	-
Fund Asset	24.54	17.91
Fund Liability	362.39	292.50

**Table Showing Plan Assumptions**

Particulars	31st March, 2019	31st March, 2018
Discount Rate	7.60%	7.70%
Expected Return on Plan Asset	7.60%	7.70%
Rate of Compensation Increase(Salary Inflation)	6.00%	6.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	28.51	29
Mortality Table	IALM 2012-2014 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age-Male	58	58
Superannuation at age-Female	58	58
Early Retirement & Disablement (All Causes Combined)	18-29 years 32%, 30-45 years 18%	18-29 years 32%, 30-45 years 18%
above age 45	5%	5%
Between 29-45	18%	18%
below age 29	32%	28%
Voluntary Retirement	Ignored	Ignored



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**Expense Recognized in statement of Profit/Loss**
**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Current Service Cost	75.03	52.25
Past Service Cost (vested)	-	5.56
Past Service Cost (Non-Vested)	-	-
Net Interest Cost	20.97	22.48
Cost(Loss)/(Gain) on settlement	-	-
Cost(Loss)/(Gain) on curtailment	-	-
Actuarial Gain loss Applicable only for last year	-	-
Employee Expected Contribution	-	-
Net Effect of changes in Foreign Exchange Rates	-	-
Benefit Cost (Expense Recognized in Statement of Profit/loss)	96.00	80.29

**Expense Recognized in Other Comprehensive Income**
**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Actuarial gain/loss on obligations due to Change in Financial Assumption	1.84	(73.31)
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(29.50)	(19.06)
Actuarial gain/loss on obligations due to Other reason	-	-
Total Actuarial (gain)/losses	(27.66)	(92.37)
Return on Plan Asset, Excluding Interest Income	0.09	0.32
The effect of asset ceiling	-	-
Balance at the end of the Period	(27.75)	(92.69)
Net(Income)/Expense for the Period Recognized in OCI	(27.75)	(92.69)

**Sensitivity Analysis**

Particulars	31st March, 2019		31st March, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	344.49	382.38	268.83	319.01
%Change Compared to base due to sensitivity	-4.90%	5.50%	-8.09%	9.07%
Salary Growth (-/+ 0.5%)	384.56	342.16	319.21	268.47
%Change Compared to base due to sensitivity	6.10%	5.60%	9.13%	-8.21%

**Table Showing Cash Flow**
**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Next Year Total (Expected)	388.60	410.46
Minimum Funding Requirements	388.60	401.29

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**Bifurcation of Net liability**
**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Current liability	64.96	9.39
Non-Current Liability	297.42	283.10
<b>Total Liability</b>	<b>362.39</b>	<b>292.49</b>

**(b) Defined Contribution Plan**

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

**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Contribution towards Provident Fund	360.23	343.32
<b>Total</b>	<b>360.23</b>	<b>343.32</b>

**(c) Other Long Term Employee benefit**

The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

The Company has recognised the following expenses as other long term employee benefit under the head "Contribution to Provident Fund and Other Funds"(net of recoveries).

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Leave Ecashment	94.21	63.87
<b>Total</b>	<b>94.21</b>	<b>63.87</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**Disclosure As per Ind AS-21, The Effects of Changes in Foreign Exchange Rates**

Foreign Currency transactions relating to monetary assets and liabilities as at the year end translated as per accounting policy no. 11, resulted in net gain of Rs.(43.31) Lakhs (PY Rs. 12.21 Lakhs) which has been accounted under relevant heads in Statement of Profit and loss.

**NOTE 44 : Disclosure as Per Ind AS-24, Related Party Disclosure**
**List of Related Parties**
**1 Subsidiary Companies**

Aries Hotels Pvt Ltd  
Malwa Hospitality Pvt Ltd  
Sayaji House Keeping Services Ltd  
Sayaji Hotels (Vadodara) Limited  
Sayaji Hotels Management Limited  
Sayaji Hotels (Pune) Limited

**2 Associate Companies**

Barbeque-Nation Hospitality Limited  
Winner Hotels Pvt Ltd

**3 Key Management Personnel**

Mr.Raoof Razak Dhanani	Managing Director
Mr. Kayum Dhanani	Director
Mrs. Suchitra Sajid Dhanani,	Whole Time Director
Mr. Sandesh Khandelwal	Chief financial officer
Mr. Amit Sarraf	Company Secretary

**4 Enterprises where Key Management Personnel has control /Interest**

Trans Agro India Pvt Ltd  
A.R. Hospitality Pvt .Ltd.  
Vicon Imperial Pvt. Ltd.  
Tungabhadra Fertilizer & Chemical Co. Ltd  
Prinite Hospitality Pvt Ltd

**5 Relatives of KMPs**

Mr. Zuber Y Dhanani  
Mr. Azher Y Dhanani  
Mrs. Saba R Dhanani  
Mrs. Sadiya R Dhanani  
Mrs. Sara K Dhanani  
Mrs. Sanya S Dhanani  
Mr. Rizwan R Sheikh  
Mrs. Varsha Khandelwal  
Mr. Jameel Taher Sayed

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

Sr.No.	Nature of Transactions	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>A</b>	<b>KEY MANAGEMENT PERSONNEL</b>		
	Remuneration/ Salary	76.88	62.70
	Payable At The Year End	1,007.79	1,300.40
	Payment Of Interest	185.03	96.43
<b>B.</b>	<b>SUBSIDIARY COMPANIES</b>		
	Income From Business Support Services	24.24	3.68
	Investment	15.00	-
	Fixed Assets Purchased	2.42	-
<b>C.</b>	<b>ASSOCIATE COMPANIES/ FIRMS/ RELATIVES</b>		
	Rental Expenses	1,124.72	510.24
	Lease Deposit	1,215.00	965.00
	Income From Business Support Services	142.29	-
	Expenses From Business Support Services	94.99	118.02
	Receivable At The Year End	66.03	45.10
	Payable At The Year End	139.21	261.74
	Lease Rent And Cam Charges Received	152.87	229.91
	Payment Of Interest	13.50	13.89
	Payment Of Salary	13.39	-
	Payment Of Professional Fee	9.00	9.00
<b>D.</b>	<b>Compensation to KMP</b>		
	Short term employee benefits	-	-
	Post employment Benefit	-	-
	Other Long term benefits	-	-
	Termination Benefits	-	-
	Sitting fees	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 45 : Disclosure as per Ind AS-27, Separate Financial Statement**
**Interest in subsidiary**

Name of Entity	Place of Business/Country Of Incorporation	% Of Ownership	
		31st March, 2019	31st March, 2018
Malwa Hospitality Private Limited	India	51.67%	51.67%
Sayaji Housekeeping Services Limited	India	100%	100.00%
Aries Hotels Private Limited*	India	52.37%	52.37%
Sayaji Hotels(Vadodara) Limited	India	100.00%	-
Sayaji Hotels Management Limited	India	100.00%	-
Sayaji Hotels(Pune) Limited	India	100.00%	-

\*Investment held for sale.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 46 : Disclosure as per Ind AS-37, Provisions, Contingent Liabilities and Contingent Assets**
**I Contingent Liabilities not provided for**

- (i) Guarantee given on behalf of other companies Rs 6451.78 lakh (P.Y Rs 6873.60 lakh). This includes Guarantee given to State Bank of India on Behalf of Barbeque-Nation Hospitality Ltd amounting Rs 4,000 lakh (P.Y 4000 lakh), guarantee given to Axis Bank Ltd on Behalf of Sana Hospitality Services Pvt .Ltd amounting to Rs Nil (P.Y Rs 421.82 lakh), guarantee given to State bank of India on Behalf of Malwa Hospitality Pvt. Ltd. amounting to Rs. 2400 lakh (P.Y. 2400 lakh) & HDFC Bank Ltd RS.51.78 lakh(P.Y. 51.78 lakh) Outstanding balance of loan there against for the year ended 31st March, 2019 from SBI is Rs.1685.38 lakh (P.Y 1925.33 lakh), Axis Bank Ltd is Rs. Nil (P.Y 44.52 lakh) and from HDFC bank Ltd. RS Nil lakh (P.Y.5.90 lakh)
- (ii) **Disputed statutory liabilities in respect of service tax not provided for:**
  - (A) In Respect of Indore hotel, for the period from 01.03.05 to 31.03.09 the Hon'ble Tribunal has passed the order against the Company after giving the benefit of abatement and waiver of penalty imposed in the order passed by Learned Commissioner. Tax demand of Rs 175.01 lacs is pending as per the Tribunal's order Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay of the demand. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs.175.01 Lacs)
  - (B) In Respect of Indore hotel, for the period from 01.04.09 to 31.03.11 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in its prior order. Tax demand of Rs. 400.37 lacs has been raised along with equal amount of penalty. Company had challenged said order before Hon'ble Tribunal & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in its prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 139.97 lacs. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 400.37 Lacs)
  - (C) In Respect of Indore hotel for the period from 01.04.11 to 30.06.12 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in their prior order. Tax demand of Rs 269.27 lacs has been raised alongwith equal amount of penalty Company had challenged said order before Hon'ble Tribunal. & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. Company has challenged said order before Hon'ble High Court of M.P., Indore and got interim stay. Had the benefit of abatement & waiver of penalty given the Hon'ble Tribunal in their prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 127.98 lacs. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs.269.27 lacs)
  - (D) In Respect of Pune hotel for the period from 01.04.09 to 30.06.12 Commissioner has passed an order against the company and raised a tax demand of Rs.39.27 lacs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. Being aggrieved, Company has preferred an Appeal before the Hon'ble Tribunal, Mumbai. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 39.27 Lacs)(e) In Respect of Varodara hotel for the period from 01.04.12 to 31.03.2015 Commissioner has passed an order against the company and raised a tax demand of Rs.2.02 lacs. Company had filed an appeal before Commissioner (Appeal), which is decided against company. Being aggrieved, Company has challenged said order before Hon'ble Tribunal and hearing is awaited. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 39.27 Lakh)
  - (E) In Respect of Varodara hotel for the period from 01.04.12 to 31.03.2015 Commissioner has passed an order against the company and raised a tax demand of Rs. 2.02 lacs. Company had filed an appeal before Commissioner (Appeal), which is decided against company. Being aggrieved, Company has challenged said order before Hon'ble Tribunal and hearing is awaited. Interest liability will also arise in case of unfavorable decision.
  - (F) In Respect of Varodara hotel for the period from 01.04.15 to 30.06.2017 Commissioner has passed an order against the company and raised a tax demand of Rs. 1.96 lacs. Being aggrieved, Company will challenge said order before Commissioner (Appeal) Baroda. Interest liability will also arise in case of unfavorable decision.
  - (G) In Respect of Indore hotel, for the period from 01.04.10 to 31.03.15 the Commissioner has passed the order against the Company and raised a tax demand of Rs.46.05 lacs, company had filed an appeal before order against the Company and raised a tax demand of Rs. 46.05 lacs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. Being aggrieved, Company has preferred an Appeal before the Hon'ble Tribunal, Interest liability will also arise in case of unfavourable decision.
- (iii) Custom duties saved against imports under EPCG scheme is Rs. 229.72 lacs (P.Y. Rs 429.39 lacs)
- (iv) Disputed liability of Rs 4.51 lacs (P.Y. 2.14 lacs) not provided for in respect of Income Tax TDS (AY 2009-10, 2010-11, 2011-12 and 2012-13)
- (v) Disputed liability of Rs 1.09 lacs not provided for in respect of Income Tax (AY 2014-15) the matters are pending before CIT (Appeal) - Varodara and amount paid there against.
- (vi) Disputed liability of Rs 108.72 lacs not provided for in respect of Commercial tax (FY 2013-14 & 2014-15, 2015-16). The matters are pending before Commissioner -Appeal Commercial tax, Indore. (P.Y. Rs. 143.27 Lacs)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

- (vii) Disputed liability of Rs 81.76 lacs not provided for in respect of Commercial tax (FY2010-11, 2011-12 & 12-13). The matter is pending before Appellate Tribunal- Commercial tax, Indore. (P.Y. Rs. 11.47 Lacs)
- (viii) Disputed liability of Rs 10.91 lacs not provided for in respect of Commercial tax demand of FY 2011-12.
- (ix) Disputed liability of Rs. 55.12 lakhs not provided for in respect of Property Tax demand (FY 2015-16, 2016-17 & 2017-18). Company has challenged the same before Mayor-In-Council Indore Municipal Corporation, Indore. (P.Y. Rs. 46.39 lakhs).
- (x) Arrears of Cumulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 479.70 lakh (P.Y. Rs. 359.14).
- (xi) In respect of the leasehold land of Indore hotel, Company has received the order on 20th Dec. 2017 for cancellation of lease passed by Indore Development Authority. Company has challenged said order before single bench of Indore High Court and the single bench has decided the matter against the company. Being aggrieved by the said order of single bench of High Court, Company has challenged said order before the Division Bench of Indore High Court. Next date of hearing is 28th June 2019. Indore Development Authority has also filed an application before the Competent Authority under The Public Premises (Eviction) Act for eviction of the Company from said premises. High Court has granted stay on the passing of any order under the said eviction proceedings. Next date of hearing in eviction matter is 01.06.2019
- (xii) Joint District Registrar of Stamps, Pune has passed order against the company and demanded payment of stamp duty of 30 lakhs and fine of 2.40 lakhs by alleging that company has paid short stamp duty under the Maharashtra Stamp Act, 1958 for declaration of equitable mortgage under the said Act. Company has challenged said order before Inspector General of Registration, Chief Controlling Revenue Authority, Pune. Hearing is awaited in said matter.
- (xiii) Disputed liability of Rs. 1.29 lakhs not provided for in respect of cases filed in labour court. (P.Y. Rs. 1.29 lakhs)
- (xiv) Disputed liability of Rs. 16.10 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Indore. (P.Y. Nil)
- (xv) The company has received a show cause notice for Imposing penalty u/s 23E SCRA, 1956 from SEBI and the matter is pending for adjudication with Adjudicating authority SEBI.

**II Commitments**

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil Lakhs)

**III Other Notes**

Company has filed an application before NCLT, Chennai for approval of composite scheme of amalgamation and demerger. The scheme involves amalgamation of Ahilya Hotels Limited (holding 14.01% shares in the company) with the Company. Further, it involves demerger of Pune & Vadodara hotel into a new company viz. Sayaji Hotels (Pune) Limited (SHPL). The scheme further involves demerger of its wholly owned subsidiary Sayaji Housekeeping Services Limited from the Company and amalgamation into a new company viz. Sayaji Hotels Management Limited (SHML). The scheme aims to achieve the benefits of streamlining and consolidate the existing businesses, optimum utilization of resources, focused management, efficiency in fund raising and de-risking and unlocking the wealth for shareholders at large. The appointed date for the scheme is 01st April 2019 which shall be effective upon approval of the scheme from NCLT. Complete scheme document is available at Company website [https://www.sayajihotels.com/data/new-inv/Composite\\_Scheme.pdf](https://www.sayajihotels.com/data/new-inv/Composite_Scheme.pdf)

**NOTE 47 : Disclosure as per Ind AS-108, Operating Segment**

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segment' (Ind AS-108) notified by the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

**Information about major customers**

No single customer contributes more than 10% or more of the Company's total revenue for the years ended March 31, 2019 and March 31, 2018.

**NOTE 48 : Disclosure as per Ind AS-105, Non Current Asset Held for Sale and Discontinued Operations**

"In the Board meeting dated 14.02.2019, the directors of Sayaji Hotels Limited decided to sell investment in Aries Hotels and the sale is expected to be completed before the end of July 2019.

Investment classified as held for sale during the reporting period has been measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of Rs 52.18 lakhs as impairment loss in the statement of profit and loss

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 49 : Earning in Foreign Currency :**
**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Earning in Foreign Currency</b>		
- Sale of Rooms of Food Beverages	1073.14	757.62
<b>CIF Value of Imports &amp; Expenditure (on accrual basis)</b>		
- Import Value of Capital Goods	-	-
- Import Value of Non-Capital Goods	41.94	40.96

**NOTE 50 : Disclosure as per Ind AS-107, Financial Instruments**
**A) Financial Risk Management**

The Company's principal financial liabilities comprise Borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade & other receivables, loan given, cash & cash Equivalent, Investment, deposits and derivative that derive directly from its operations.

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board.

**Company is exposed to following risk from the use of its financial instrument :**

- Credit Risk
- Liquidity Risk
- Market Risk

**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 resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

**Trade Receivable**

"Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 45 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low. The requirement of impairment is analysed as each reporting date."

**Other Financial Instruments and Cash & Cash Equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31st, 2019 and March 31st, 2018 is the carrying amount as disclosed in Note 50(1) except for financial guarantees. The Company's maximum exposure for financial guarantee is given in Note 46.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**(i) Carrying amount of maximum credit risk as on reporting date**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)</b>		
Non-current Investment	0.21	0.44
Non-current Loans	716.14	523.92
Other Non-Current Financial Assets	94.94	94.31
Cash & Cash Equivalent	411.54	1,214.95
Bank balances other than cash and cash equivalents	13.20	-
Current Loans	124.63	65.93
Other Current Financial Assets	310.63	205.50
<b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)</b>		
Investment in Subsidiaries	1,341.90	1,953.58
Trade Receivables	897.37	870.03
<b>Total</b>	<b>3,910.56</b>	<b>4,928.66</b>

**(ii) Ageing of trade receivables**

The Ageing of trade receivables is as below :

**(Rs. In Lakhs)**

Ageing	Not Due	0-180 days past due	181-365 days past due	1-2 years past due	2-5 years past due	Total
Gross Carrying amount as on 31.03.2019	382.57	443.46	53.70	16.34	38.27	934.34
Impairment loss recognised on above	-	-	-	-	36.97	36.97
Gross Carrying amount as on 31.03.2018	267.68	506.17	49.95	20.35	58.10	902.25
Impairment loss recognised on above	-	-	-	-	32.22	32.22

**(iii) Provision for Expected Credit or Loss**
**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses.**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

**(iv) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

Particulars	Trade Receivables	Investment in subsidiaries	Advances	Total
Balance as at March 31, 2018	32.22	143.52	1.72	177.46
Impairment loss recognised	4.75	52.41	-	57.16
Amounts written off	-	-	-	-
Balance as at March 31, 2018	36.97	195.93	1.72	234.62

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**(Rs. In Lakhs)**
**Liquidity Risk**

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

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

**(Rs. In Lakhs)**

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2019</b>						
Term Loans*	-	1,658.24	1,396.42	2,614.70	620.52	6,289.88
Trade Payables	1,214.86	-	-	-	-	1,214.86
Cash credit	554.95	-	-	-	-	554.95
Other Payables	-	1,726.55	-	2,000.00	2,013.60	5,740.15
Finance Lease Payable	-	1.95	1.95	5.86	10.74	20.50
Other Financial Liabilities#	-	98.00	-	-	-	98.00
<b>Total</b>	<b>1,769.81</b>	<b>3,484.74</b>	<b>1,398.37</b>	<b>4,620.56</b>	<b>2,644.86</b>	<b>13,918.34</b>

**(Rs. In Lakhs)**

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2018</b>						
Term Loans*	-	1,594.74	1,487.00	3436.85	855.81	7,374.40
Trade Payables	1,176.48	-	-	-	-	1,176.48
Cash credit	258.14	-	-	-	-	258.14
Other Payables	-	1,154.10	400.00	2,000.00	1,797.85	5,351.95
Finance Lease Payable	-	1.95	1.95	5.86	10.23	19.99
Other Financial Liabilities#	-	149.38	-	-	-	149.38
<b>Total</b>	<b>1,434.62</b>	<b>2,900.17</b>	<b>1,888.95</b>	<b>5,442.71</b>	<b>2,663.89</b>	<b>14,330.34</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

# Current maturities of long-term borrowings is included in interest bearing borrowing part in above note.

Overdraft or other on demand loan facility, if any available with the Company is disclosed, to the extent undrawn in note no. 40.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The company uses forward contracts to hedge its exposure from foreign currency fluctuations.

The currency profile of financial assets and financial liabilities are as below :

**(Rs. In Lakhs)**

Particulars	31st March, 2019	31st March, 2018
<b>Financial Liabilities</b>		
Borrowings in USD	1,079.07	1,555.79
Derivative Liability	32.10	(12.78)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**Foreign Currency sensitivity**

The Company's exposure to foreign currency changes for all other currencies is not material. Hence there is no major impact on company's profit before tax due to change in the fair value of monetary assets and liabilities.

**Interest Risk**

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
<b>Financial Assets</b>		
Fixed Rate		
Security Deposit	716.14	523.92
Bank Deposit	108.14	94.31
<b>Total</b>	<b>824.28</b>	<b>618.23</b>
<b>Financial Liabilities</b>		
<b>Fixed Rate</b>		
Working capital loans	554.95	258.14
Unsecured Loans	3,740.15	3,351.95
<b>Sub-Total (i)</b>	<b>4,295.10</b>	<b>3,610.09</b>
<b>Variable Rate Instruments</b>		
Term Loans	6,289.88	7,374.40
<b>Sub-Total (ii)</b>	<b>6,289.88</b>	<b>7,374.40</b>
<b>Total (i) + (ii)</b>	<b>10,584.98</b>	<b>10,984.49</b>

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows: (Rs. In Lakhs)

Particulars	Effect of Profit or Loss	
	50 bp increase	50 bp decrease
<b>31st March 2019</b>		
Financial Liabilities	(3.14)	3.14
	<b>(3.14)</b>	<b>3.14</b>
<b>31st March 2018</b>		
Financial Liabilities	(3.69)	3.69
	<b>(3.69)</b>	<b>3.69</b>

**NOTE 51 : Capital Risk Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	31st March, 2019	31st March, 2018
Gross Debt	10,584.98	10,984.49
Less : Cash and cash equivalents	(411.54)	(1,214.95)
<b>Net Debt (A)</b>	<b>10,173.44</b>	<b>9,769.54</b>
Total Equity (B)	7,292.87	7,582.33
<b>Gearing Ratio (A/B)</b>	<b>1.39</b>	<b>1.29</b>

(Rs. In Lakhs)

Particulars	As At March 31, 2019		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.21	-	-
Loans	-	-	840.77
Trade Receivables	-	-	897.37
Cash and Cash Equivalents	-	-	411.54
Other Bank Balance	-	-	13.20
Other financial assets	-	-	405.57
<b>Total Financial Assets</b>	<b>0.21</b>	<b>-</b>	<b>2,568.45</b>
<b>Financial Liability:</b>			
Borrowings	-	-	8,926.74
Derivative Liability	32.10	-	-
Trade Payable	-	-	1,214.86
Other Financial Liabilities	-	-	3,791.60
<b>Total Financial Liability</b>	<b>32.10</b>	<b>-</b>	<b>13,933.20</b>

(Rs. In Lakhs)

Particulars	As At 31st March, 2018		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.44	-	-
Loans	-	-	589.85
Trade Receivables	-	-	870.03
Cash and Cash Equivalents	-	-	1,214.95
Other Bank Balance	-	-	-
Other financial assets	-	-	299.81
<b>Total Financial Assets</b>	<b>0.44</b>	<b>-</b>	<b>2,974.64</b>
<b>Financial Liability:</b>			
Borrowings	-	-	9,842.94
Derivative Liability	(12.78)	-	-
Trade Payable	-	-	1,176.48
Other Financial Liabilities	-	-	3,390.01
<b>Total Financial Liability</b>	<b>(12.78)</b>	<b>-</b>	<b>14,409.43</b>

\*The above excludes investments in subsidiaries and associates amounting to Rs 1341.90 Lakhs

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**NOTE 52 : Disclosure as per Ind AS-113, Fair Value Measurement**
**Fair Value Hierarchy**

"This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:"

**As at 31st March 2019**
**Financial Instrument measured at Fair Value - recurring fair value measurement**
**(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.21	0.21
-Non Current Asset held for sale			574.50	574.50
<b>Financial Liabilities</b>				
Derivatives	-	32.10	-	32.10
<b>Total</b>	<b>-</b>	<b>32.10</b>	<b>574.71</b>	<b>606.81</b>

**As at 31st March 2018**
**Financial Instrument measured at Fair Value - recurring fair value measurement**
**(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.44	0.44
<b>Financial Liabilities</b>				
Derivatives	-	(12.78)	-	(12.78)
<b>Total</b>	<b>-</b>	<b>(12.78)</b>	<b>0.44</b>	<b>(12.34)</b>

**(A) Specific valuation technique is used to determine the fair value of the financial instruments which include :**

- For Investments in Equity Investments :- Quoted Market prices are used and for unquoted Equity Instruments best possible inputs are taken to identify the fair value.
- For financial liabilities (vendor liabilities, domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.
- For financial assets (employee loans) :- appropriate market rate of the entity as of each balance sheet date used.

**(B) The financial instruments are categorized into different levels based on the inputs used to arrive at fair value measurements as described below:**

<b>Level 1</b>	Includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at thereporting period. The mutual funds are valued using the closing NAV.
<b>Level 2</b>	includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
<b>Level 3</b>	If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**(C) Inter level transfers:**

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

**(D) Fair value of financial assets and liabilities measured at amortised cost**
**(Rs. In Lakhs)**

Particulars	As at 31 March 2019		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	897.37	897.37
Cash and Cash Equivalents	3	411.54	411.54
Bank balances other than cash and cash equivalents	3	13.20	13.20
Loan to Employees	3	22.75	22.75
Security deposit	3	716.14	716.14
Other Financial Assets	3	405.57	405.57
<b>Financial Liabilities</b>			
Borrowings	3	8,926.74	8,926.74
Trade Payables	3	1,214.86	1,214.86
Other Financial Liabilities	3	3,823.70	3,823.70

**(Rs. In Lakhs)**

Particulars	As at 31 March 2018		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	870.03	870.03
Cash and Cash Equivalents	3	1,214.95	1,214.95
Bank balances other than cash and cash equivalents	3	-	-
Loan to Employees	3	19.17	19.17
Security deposit	3	523.92	523.92
Other Financial Assets	3	299.81	299.81
<b>Financial Liabilities</b>			
Borrowings	3	9,842.94	9,842.94
Trade Payables	3	1,176.48	1,176.48
Other Financial Liabilities	3	3,377.23	3,377.23

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**
**(Rs. In Lakhs)**
**NOTE 53 : Disclosure as per Ind AS-115, Revenue from Contract with Customers**

(i)	Revenue from contract with customers	For the period 2018-2019	For the period 2017-2018
	Rooms	7,608.77	6,379.19
	Food and Beverages	12,214.93	11,079.70
	Other Services	2,000.84	1,691.55

**(ii) Disaggregation of revenue :-**

Revenue is also disaggregated on basis of timing of revenue recognition i.e. At a point in time &amp; over the period of time.

**(Rs. In Lakhs)**

Particular	At a point in time		Over the period of time.	
	For the period 2018-2019	For the period 2017-2018	For the period 2018-2019	For the period 2017-2018
Rooms	7,608.77	6,379.19	-	-
Food and Beverages	12,214.93	11,079.70	-	-
Other Services	2,000.84	1,691.55	-	-

**NOTE 54 :** The Company has reclassified previous year figures to conform to this year classification.

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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## INDEPENDENT AUDITOR'S REPORT

**To,  
The Members,  
Sayaji Hotels Limited,**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Sayaji Hotels Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles

generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2019, of the loss and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

Key Audit Matter	Auditor's Response
<p><b><i>Disputed Statutory Liabilities and its Disclosure</i></b></p> <p>The Company operates in multiple States, having multiple jurisdictions and has material disputes with local authorities and tax authorities on various matters which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 47 to the Consolidated Financial Statements</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>Obtained from the management an understanding of various disputes including uncertain tax positions and obtained details of Orders, tax assessments and demands for the year ended March 31, 2019.</p> <p>Analysed orders and correspondences from various authorities and legal opinion taken by management for material disputes.</p> <p>Discussed and analysed management's view on these disputes including estimates made in arriving tax positions.</p> <p>We also analysed and assessed management's estimates of the possible outcome of the disputed matters and its bearing on company's overall financial position.</p>

Key Audit Matter	Auditor's Response
<p><b><i>Inventory</i></b></p> <p>The Company operates in Hotels, Restaurants and Banqueting business, where Inventory forms a major part of expense. Looking to the nature of business and type of inventory involved and significant inventory in circulation, there is an inherent risk in control and management of inventory.</p> <p>Refer Note 1(B)(8) &amp; Note 11 to the Consolidated Financial Statements</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>Our Audit procedure included both test of internal controls and substantive procedures.</p> <p>Evaluated the design of internal controls relating to recording of transactions involving inventory at each step such as purchase, issue, use and consumption.</p> <p>Full chain of transaction was tested on sampling basis including physical verification of inventory in circulation.</p> <p>Evaluated the process of taking physical stock of inventory in circulation and matching the same with those showing System Records.</p>

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the

ability of the Group and of its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates 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 consolidated 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of

such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **Other Matters**

We did not audit the financial statements of One subsidiary, whose financial statement reflect total assets of Rs. 1336.09 Lakhs as at 31st March, 2019; total revenue of Rs. 99.53 Lakhs and net cash flows of Rs. 100.95 Lakhs for the year ended on that date. The Ind AS Consolidated financial statements also include the Group's Share of profit of Rs. 1232.90 Lakhs for the year ended 31st March, 2019, as considered in the Ind AS consolidated financial statements in respect of One Associate, whose financial statements/ financial information has not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the Ind AS consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the Ind AS consolidated financial statements, and our report on the other Legal and Regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate

companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates – Refer Note 47 to the consolidated financial statements.
  - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies incorporated in India.

**For K.L. Vyas & Company,**  
**Chartered Accountants,**  
**FRN: 003289C**

**(Himanshu Sharma)**  
**Partner**  
**M. No. 402560**

**Place of Signature : Indore**  
**Date : 30<sup>th</sup> May, 2019**

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## **ANNEXURE –A TO THE AUDITORS’ REPORT**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of Sayaji Hotels Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates standalone financial statements of 1 subsidiary and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

**For K.L. Vyas & Company,**  
**Chartered Accountants,**  
**FRN: 003289C**

**(Himanshu Sharma)**  
**Partner**  
**M. No. 402560**

**Place of Signature : Indore**  
**Date : 30<sup>th</sup> May, 2019**

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**SAYAJI HOTELS LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENT**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2019**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment	2	15,359.51	16,029.37
(b) Capital work-in-progress	3	150.53	35.47
(c) Intangible assets	4	17.25	71.90
(d) Goodwill on consolidation		-	-
(e) Investment in Associate, Subsidiary and Joint venture	5	8,340.43	8,779.27
(i) Financial Assets		-	-
(ii) Investments	6	0.21	110.92
(iii) Trade Receivables		-	-
(f) Loans	7	773.54	1,016.62
(g) Other Financial Assets	8	100.53	98.60
(h) Deferred Tax assets (net)	9	832.62	868.13
(i) Other non-current assets	10	1,429.58	1,317.29
<b>Total Non-Current Assets</b>		<b>27,004.20</b>	<b>28,327.57</b>
<b>2 Current assets</b>			
(a) Inventories	11	2,006.16	1,839.48
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	12	1,035.55	984.51
(iii) Cash and Cash Equivalents	13	531.28	1,359.42
(iv) Bank balances other than (iii) above	14	17.59	3.52
(v) Loans	15	628.40	301.48
(vi) Other Financial Assets	16	313.24	205.74
(c) Current Tax Assets (net)	17	25.14	-
(d) Other current assets	18	990.20	788.87
(e) Branch Account		-	-
(f) Assets classified as Held for Sale	19	618.36	-
<b>Total Current Assets</b>		<b>6,165.92</b>	<b>5,483.02</b>
<b>TOTAL ASSETS</b>		<b>33,170.12</b>	<b>33,810.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity Share Capital	20	1,751.80	1,751.80
(b) Other Equity	21	12,113.98	12,584.59
<b>Total Equity attributable to owners of the parent</b>		<b>13,865.78</b>	<b>14,336.39</b>
(c) Non-controlling interest	21.7	478.35	466.51
<b>Total Equity</b>		<b>14,344.13</b>	<b>14,802.90</b>
<b>2 LIABILITIES</b>			
<b>2.1 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	8,004.56	10,058.14
(ii) Other Financial Liabilities	23	2,065.57	2,084.41
(b) Provisions	24	645.70	613.14
(c) Deferred Tax Liabilities (Net)		-	-
(d) Deferred Revenue	25	511.36	579.18
<b>Total Non-Current Liabilities</b>		<b>11,227.19</b>	<b>13,334.87</b>



**SAYAJI HOTELS LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENT**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2019**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>2.2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	2,411.42	1,434.24
(ii) Trade Payables	27		
A. total outstanding dues of micro enterprises and small enterprises; and		16.06	-
B. total outstanding dues of creditors other than micro enterprises and small enterprises.		1,277.40	1,247.56
(iii) Other Financial Liabilities	28	2,106.10	1,640.76
(b) Other Current Liabilities	29	1,082.56	782.13
(c) Provisions	30	661.66	518.80
(d) Current Tax Liabilities (Net)	31	-	49.33
(e) Liability directly associated with Assets classified as Held for Sale	19	43.60	-
<b>Total Current Liabilities</b>		<b>7,598.80</b>	<b>5,672.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,170.12</b>	<b>33,810.59</b>

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

1-56

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(Rs. in Lakhs Except EPS)

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	<b>Income</b>			
II	<b>Revenue From Operations</b>	32	24,441.09	21,581.97
III	Other Income	33	530.34	287.28
IV	<b>Total Revenue (II+III)</b>		<b>24,971.43</b>	<b>21,869.25</b>
V	<b>Expenses :</b>			
	Food and Beverages Consumed	34	4,810.49	4,542.73
	Employee Benefits Expenses	35	6,630.67	5,965.64
	Finance Costs	36	1,875.04	1,628.23
	Depreciation And Amortization Expenses	2&4	2,439.64	2,374.53
	Operating Expenses	37	5,393.78	5,043.19
	Other Expenses	38	3,448.29	2,572.71
	<b>Total Expenses</b>		<b>24,597.91</b>	<b>22,127.03</b>
VI	<b>Profit before Exceptional Item and share of profit/(loss) of associate and tax (IV-V)</b>		<b>373.52</b>	<b>(257.78)</b>
VII	<b>Exceptional Item</b>			
	Litigation Settlement as per Court Order	39	184.89	-
VIII	<b>Profit before share of profit/(loss) of associate and tax (VI-VII)</b>		<b>188.63</b>	<b>(257.78)</b>
IX	<b>Share of Profit /(Loss) of Associate</b>		<b>(1,232.91)</b>	<b>193.94</b>
X	<b>Profit Before Tax (VIII+IX)</b>		<b>(1,044.28)</b>	<b>(63.84)</b>
XI	<b>Tax Expense :</b>			
	(1) Current Tax		278.43	176.84
	(2) Mat Credit Entitlement		(18.70)	-
	(3) Deferred Tax		23.57	166.81
	(4) Tax Adjustment of Earlier Year		0.87	(18.38)
			<b>284.17</b>	<b>325.27</b>
XII	<b>Profit (Loss) for the year (X-XI)</b>		<b>(1,328.45)</b>	<b>(389.11)</b>
XIII	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified to profit or loss			
	(i) Actuarial Gain/(Loss) on Defined Benefit Plan		30.05	86.56
	(ii) Income tax relating to items that will not be reclassified to profit or loss "		(8.19)	(30.83)
	B. Items that will be reclassified to profit or loss		-	-
	(i) Changes in Cash Flow Hedge Reserve		-	0.56
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	(0.19)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(Rs. in Lakhs Except EPS)

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
XIV	<b>Total Comprehensive Income for the year (XII+XIII)(Comprising Profit /(Loss) and Other Comprehensive Income for the year) before share of associate</b>		<b>(1,306.59)</b>	<b>(333.01)</b>
XV	<b>Share of Profit/ (Loss) of associate</b>		<b>(103.55)</b>	<b>(32.33)</b>
XVI	<b>Total Comprehensive Income for the year (XIV+XV)(Comprising Profit /(Loss) and Other Comprehensive Income for the year)</b>		<b>(1,410.14)</b>	<b>(365.34)</b>
	Net profit attributable to			
	Owners of the parent		(1,339.41)	(404.53)
	Non controlling interests		10.96	15.41
	<b>Other Comprehensive Income attributable to</b>			
	Owners of the parent		(82.57)	26.13
	Non controlling interests		0.88	(2.36)
	Total Comprehensive Income attributable to			
	Owners of the parent		(1,421.98)	(378.40)
	Non controlling interests		11.84	13.05
XVII	Earnings per equity share	40		
	(1) Basic		(8.27)	(2.91)
	(2) Diluted		(8.27)	(2.91)

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

1-56

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax from continuing operations</b>	<b>(1,216.49)</b>	<b>(95.61)</b>
<b>Non-cash/Non-Operating adjustment to reconcile profit before tax to net Cash flows</b>		
Share of net profits of associate accounted for using equity method	1,336.45	(161.61)
Depreciation & Amortisation including adjustments	2,439.64	2,374.53
Deferred Income Amortisation	(77.01)	(81.99)
Deferred Expense Amortisation	9.15	9.15
(Profit) /Loss on Sale/Disposal of Property, Plant & Equipment	89.72	0.48
Prepaid Lease charges on Security Deposit	15.77	15.77
Prepaid Lease income on Security Deposit	(4.68)	(4.71)
Foreign Exchange gain/ (loss) on Derivative Liability	43.31	(94.27)
Interest Expense	1,875.04	1,628.23
Amortisation of prepaid lease	3.16	3.16
Interest Received	(267.16)	(131.22)
Balances Written off	29.05	-
Excess provision written back	39.09	-
Fair value (gain) / loss on foreign exchange	92.25	(12.21)
Interest received on Security Deposit	(1.39)	-
Impairment Loss	-	-
Lease Rent	96.55	-
Provision for doubtful debts made	4.75	-
<b>Operating profit before Working Capital changes</b>	<b>4,507.20</b>	<b>3,449.70</b>
<b>Adjustments for :</b>		
(Increase)/ Decrease in trade and other receivables	(123.93)	(746.56)
(Increase) / Decrease in Inventory	(166.68)	(270.60)
Increase/ (Decrease) in trade and other payables	45.90	515.63
Decrease/(Increase) in other Bank Balances	(14.07)	-
Decrease/(Increase) in other current assets	(321.24)	-
Decrease/(Increase) in short term advances	-	-
Decrease/(Increase) in loans(financial assets)	(180.39)	-
Decrease/(Increase) in other financial assets	(108.04)	-
Increase/(Decrease) in other financial liabilities	403.19	-
Increase/(Decrease) in other liabilities	293.85	-
Increase/(Decrease) in provisions	175.42	-
Increase/(Decrease) in Asset/Liabilities held for Sale	(522.58)	-
<b>Cash generated from operations</b>	<b>3,988.63</b>	<b>2,948.17</b>
Taxes (Paid)/Refund	(331.32)	(58.54)
Exceptional Items	-	-
<b>Net Cash from Operating Activity</b>	<b>3,657.31</b>	<b>2,889.63</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(1,930.31)	(1,268.54)
Sale/Disposal of Property, Plant & Equipment	-	3.93
Govt. Grant Received	-	22.39
Sale of Investments	110.71	-
Maturity/(Investment) in Non Current Fixed Deposits	(1.93)	(6.71)
Dividend Received	126.21	126.21
Interest Received	267.16	124.73
<b>Net Cash Flow from Investing Activity</b>	<b>(1,428.16)</b>	<b>(997.99)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long Term Borrowings	(1,939.36)	(866.41)
Proceeds/(Repayment) of loans from others	465.72	409.18
Interest Paid/other borrowing cost paid	(1,875.04)	(1,425.13)
<b>Net cash used in Financing Activity</b>	<b>(3,348.68)</b>	<b>(1,882.36)</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>(1,119.53)</b>	<b>9.28</b>
Cash and cash equivalents at the beginning of the year	1,087.68	1,078.40
Cash and cash equivalents at the close of the year	(31.85)	1,087.68
This is the Cash Flow Statement referred to in our Report of even date		

**Notes :**

- The above cash flow statement has been prepared under the indirect method set out in Ind AS -7 'Statement of Cash Flows'.
- For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings :

Particulars	As at 31st March, 2019	As at 31st March, 2019
Balance with Banks	485.78	1,239.05
Cash on hand	45.50	50.19
Investment in Mutual Fund	-	70.18
Less: Bank Overdraft	(563.13)	(271.74)
	<b>(31.85)</b>	<b>1,087.68</b>

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

1-56

**For and on behalf of the Board of Directors**

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**T.N Unni**  
Director  
DIN-00079237

**Raouf Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**Consolidated Statement of Changes in Equity for the year ended 31st March, 2019**

**A. Equity Share Capital**

(Rs. In Lakhs)

Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
1,751.80	-	1,751.80

**B. Other Equity**

(Rs. In Lakhs)

Particulars	Attributable to owners of parent							Non-Controlling Interest	Total	
	Equity component of compound financial instruments	Reserve and surplus				Effective portion of Cash Flow Hedges	Share of OCI of Joint ventures Accounted for using Equity Method			Total Equity attributable to owners of parent
		Securities Premium Reserve	General Reserve	Retained Earnings	Share in of Equity Component Directly credited to Equity					
Balance as at 1st April, 2018	251.66	5,944.60	641.48	3,530.02	2,187.02	69.33	(39.52)	12,584.59	466.51	13,051.10
Profit/(Loss) for the year	-	-	-	(2,572.32)	-	-	-	(2,572.32)	10.96	(2,561.36)
Other Comprehensive Income for the year	-	-	-	20.98	-	-	(103.55)	(82.57)	0.88	(81.69)
Share of associate	-	-	-	1,232.91	-	-	-	1,232.91	-	1,232.91
Dividend	-	-	-	(100.26)	-	-	-	(100.26)	-	(100.26)
Total Comprehensive Income for the Year	-	-	-	(1,418.69)	-	-	(103.55)	(1,522.24)	11.84	(1,510.40)
Cash dividends	-	-	-	-	-	-	-	-	-	-
Equity Component	-	-	-	-	997.89	-	-	997.89	-	997.89
Excess of Investment over Net Assets	-	-	-	52.18	-	-	-	52.18	-	52.18
Others	-	-	-	1.56	-	-	-	1.56	-	1.56
Balance as at 31st March, 2019	251.66	5,944.60	641.48	2,165.07	3,184.91	69.33	(143.07)	12,113.98	478.35	12,592.33

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## Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

**A. Equity Share Capital** (Rs. In Lakhs)

Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
1,751.80	-	1,751.80

**B. Other Equity** (Rs. In Lakhs)

Particulars	Attributable to owners of parent							Total Equity attributable to owners of parent	Non-Controlling Interest	Total
	Equity component of compound financial instruments	Reserve and surplus				Effective portion of Cash Flow Hedges	Share of OCI ventures Accounted for using Equity Method			
		Securities Premium Reserve	General Reserve	Retained Earnings	Share in of Equity Component Directly credited to Equity					
Balance as at 1st April, 2017	251.66	5,944.60	641.48	3,880.48	490.67	13.23	(7.19)	11,214.93	453.46	11,668.39
Profit/(Loss) for the year	-	-	-	(402.16)	-	-	-	(402.16)	13.05	(389.11)
Other Comprehensive Income for the year	-	-	-	-	-	56.10	(32.33)	23.77	-	23.77
Total Comprehensive Income for the Year	-	-	-	(402.16)	-	56.10	(32.33)	(378.39)	13.05	(365.34)
Cash dividends	-	-	-	-	-	-	-	-	-	-
Equity Component	-	-	-	-	1,696.35	-	-	1,696.35	-	1,696.35
Others	-	-	-	51.70	-	-	-	51.70	-	51.70
Balance as at 31st March, 2018	251.66	5,944.60	641.48	3,530.02	2,187.02	69.33	(39.52)	12,584.59	466.51	13,051.10

For and on behalf of the Board of Directors

1-56

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L. Vyas & Company**  
Chartered Accountants  
**Firm Regn. No. 003289C**

**T.N Unni**  
Director  
DIN-00079237

**Raouf Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
**M.No. 402560**

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

**Indore, 30<sup>th</sup> May 2019**



## **Significant Accounting Policies for the FY 2018-19:- Consolidated Financial Statements**

### **Notes to Financial Statements**

#### **NOTE-1 :**

#### **A. Group Information**

Sayaji Hotels Limited (SHL" or the "Company"), is a listed public limited company incorporated under the provisions of the Companies Act, 2013. Its shares are listed on Bombay stock exchange on India. The Company is primarily engaged in the business of owning, operating & managing hotels. The Company and its subsidiaries (jointly referred to as the 'Group' herein under) are considered in the consolidated financial statements. The group is primarily engaged in the business of owning, operating & managing hotels.

#### **Statement of Compliance**

These Consolidated Financial Statements are prepared on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable), applicable provisions of the Companies Act, 1956. These are Group's first Ind AS compliant financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

For all period upto and including 31st March 2017, the group prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956. The Group followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as on the date of Transition, viz. 1st April 2016. Some of the Ind AS Accounting policies used in the opening Balance sheet are different from its previous GAAP policies applied as at 31st March 2016, accordingly the adjustment were made to restate the opening balance as per Ind AS. The resulting adjustment arose from events and transaction before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1st April 2016. This is the effect of the general rule of the Ind AS 101 which is to apply Ind AS retrospectively.

An Explanation of how the transition to Ind AS 101 has affected the reported financial position, financial performance and cash flows of the Group is provided in note.

These consolidated financial statements were authorized for issue by Board of Directors on .30th May, 2019.

#### **1. Basis of measurement/Use of Estimates**

- i. The Financial Statements are prepared on accrual basis under the historical cost convention except certain financial assets and liabilities (including derivatives instruments) that are measured at fair value at the end of each reporting period. The methods used to measure fair values are discussed in notes to financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

- ii. The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in Part C.

#### **2. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.

#### **B. Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Group has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying

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amount of property, plant and equipment and intangible assets at 1 April 2016, the Group's date of transition to Ind AS, according to the previous GAAP were maintained in transition to Ind AS.

### **1. Basis of consolidation**

#### **i. Subsidiaries**

- a. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group and has the ability to affect those returns through its power over the group. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- b. The Group entities combines the financial statements of parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expense. Inter-company balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset.
- c. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non- controlling interests.
- d. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

Where company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non Controlling Interest and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date of control is lost. Any resulting gain or loss is recognised in Profit and loss.

#### **ii. Associate**

- a. Under the equity method of accounting, the investment in an associate is initially recognised at cost. The Carrying amount of the investment is adjusted to recognise changes in the group's share of the net assets of the associate is included in the carrying amount of the investment and is not tested for impairment individually.
- b. The Statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the Equity of the associate, the group recognizes its share of any changes, when applicable, in the statement of changes in Equity. Unrealized gains and losses resulting from transactions between the group and the associate are eliminate to the extent of the interest in the associate.
- c. Upon loss of significant influence over associate, the group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence in associate and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

### **2. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

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- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

### **3. Property Plant & Equipment**

#### **3.1. Initial recognition and measurement**

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, borrowing cost, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

#### **3.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in profit or loss as incurred.

#### **3.3. De-recognition**

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

#### **3.4. Depreciation/amortization**

Depreciation is recognized in profit or loss on a Written Down Value Method over the estimated useful lives as prescribed in Schedule II of Companies Act, 2013 of each part of an item of Property, Plant and Equipment. Leasehold lands are amortized over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Assets constructed on leased premises are depreciated/amortized over the lease period.

Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

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### **4. Non-current assets (or disposal groups) held for sale**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Again or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### **5. Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

### **6. Intangible assets and intangible assets under development**

#### **6.1. Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

#### **6.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

#### **6.3. Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

#### **6.4. Amortization**

Intangible assets having definite life are amortized on Written Down Value method in their useful lives. Useful life of computer software is estimated at five years.

### **7. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying

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assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended uses are complete.

All other borrowing costs are charged to revenue as and when incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 – 'Leases' (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and (d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

#### **8. Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

#### **9. Cash and Cash Equivalent**

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

#### **10. Government Grants**

Government grants that compensate the company for the cost of asset are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant and are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

#### **11. Provisions and contingent liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

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### **12. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### **13. Revenue Recognition**

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" which introduces the five-step model described as follows:-

1. Identify the contract with a customer.
2. Identify the separate performance obligations in the contract.
3. Determine the transaction Price.
4. Allocate the transaction price to the separate performance obligations.
5. Recognize revenue when (or as) each performance obligation is satisfied.

#### **Revenue from operations:**

The Company derives revenues primarily from sale of rooms, food and beverages, allied services relating to hotel operations such as management fees for the management of the hotels.

- A.** Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company presents revenues net of indirect taxes in statement of Profit and loss.

#### **B. Trade receivables and Contract Balances**

The company recognises contract assets on an amount equals to consideration related to goods and services already transferred to customers when the right to receive such consideration is conditioned upon something other than passage of time.

Unconditional right to receive consideration are recognised as trade receivable.

Trade receivable and contract assets are subject to impairment as per Ind AS 109 'Financial Instruments'.

The company recognises amount already received from customer against which transfer for goods and services are not made as contract liability.

#### **Interest Income**

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

#### **Dividend**

Dividend Income is recognized when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

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### **Other Income**

Other Income is recognized in the statement of profit and loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

## **14. Employee Benefits**

### **14.1. Short Term Benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **14.2. Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two type:

#### **14.2.1. Defined contribution plans**

Defined contribution plans are those plans in which an group pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation.

#### **14.2.2. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

#### **14.2.3. Long Term Employee Benefit**

Benefits under the Group's leave encashment constitute other long term employee benefits.

Leave Encashment is determined based on the available leave entitlement at the end of the year.

## **15. Income Taxes**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under 'Income tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or



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substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable group, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent it is probable evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer probable that Company will be able to absorb such credit during the specified period.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

#### **16. Leases As Lessee**

##### **Accounting for finance leases**

Leases of Property, Plant and Equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized in the balance sheet as Finance Lease Obligation. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

##### **Accounting for operating leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

#### **17. Impairment of Non-financial Assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of goodwill of that CGU, if any and then the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable

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amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **18. Operating Segments**

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. **For management purpose company is organized into major operating activity of hoteliering in India.** The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

#### **19. Dividends**

Dividends and interim dividends payable to a Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

#### **20. Material Prior Period Errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

#### **21. Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### **22. Statement of Cash Flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.

#### **23. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one group and a financial liability or equity instrument of another group.

##### **23.1. Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

##### **Subsequent measurement**

##### **Debt instruments at amortized cost**

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

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### **Debt instrument at fair value through other comprehensive income**

A 'debt instrument' is classified as at the fair value through other comprehensive income if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

Debt instruments included within the fair value through other comprehensive income category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

### **Debt instrument at fair value through profit and loss**

Fair value through profit and loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income, is classified as at fair value through profit and loss.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit and loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the profit and loss.

### **Equity investments**

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income or fair value through profit and loss. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at fair value through other comprehensive income, then all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However the company may transfer cumulative gain or loss within the equity.

Equity instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries and joint ventures are measured at cost.

### **Derecognition**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of

### **Significant Accounting Policies for the FY 2018-19:- Consolidated Financial Statements**

impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Lease Receivables under Ind AS 17

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18, if they do not contain a significant financing component

Trade receivables or contract assets resulting from transactions within the scope of and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognizing impairment loss allowance based on 12-month ECL.

#### **Financial liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

##### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### **Derecognition**

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

##### **Derivative financial instruments**

The Company uses forwards to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

## **Significant Accounting Policies for the FY 2018-19:- Consolidated Financial Statements**

**Hedges that meet the criteria for hedge accounting are accounted for as follows:**

**a) Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

**b) Fair Value Hedge**

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

**A. Major Estimates made in preparing Financial Statements**

**1. Useful life of property, plant and equipment**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

**2. Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

**3. Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

**4. Impairment Test of Non-Financial Assets:**

The recoverable amount of investment in subsidiary is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 2: PROPERTY PLANT & EQUIPMENT**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2018	Additions	Deletions/ Adjustment	As at 31.03.2019	Upto 01.04.2018	For the Year	Deletions/ Adjustment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Freehold Land	2,668.79	-	(33.95)	2,634.84	-	-	-	-	2,634.84	2,668.79
Leasehold Land	2,114.11	30.50	-	2,144.61	61.93	30.98	-	92.91	2,051.70	2,052.18
Buildings	11,310.89	919.95	(94.94)	12,135.90	2,564.22	1,571.96	(64.20)	4,071.98	8,063.93	8,746.67
Plant and Equipments	2,365.34	427.74	(113.73)	2,679.35	710.38	317.08	(18.68)	1,008.78	1,670.57	1,654.96
Furniture & Fixtures	1,392.62	384.46	(54.83)	1,722.25	795.05	316.33	(41.44)	1,069.94	652.31	597.57
Service Equipment	236.47	51.53	(17.00)	271.00	89.83	69.01	(10.88)	147.96	123.04	146.64
Vehicles	139.86	26.34	(2.74)	163.46	44.67	26.94	(13.37)	58.24	105.22	95.19
Computers	220.67	28.63	(7.90)	241.40	153.30	35.49	(5.31)	183.48	57.92	67.37
<b>Total</b>	<b>20,448.74</b>	<b>1,869.15</b>	<b>(325.09)</b>	<b>21,992.80</b>	<b>4,419.38</b>	<b>2,367.79</b>	<b>(153.88)</b>	<b>6,633.29</b>	<b>15,359.51</b>	<b>16,029.37</b>

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2017	Additions	Deletions/ Adjustment	As at 31.03.2018	Upto 01.04.2017	For the Year	Deletions/ Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Freehold Land	2,668.79	-	-	2,668.79	-	-	-	-	2,668.79	2,668.79
Leasehold Land	2,114.11	-	-	2,114.11	30.95	30.98	-	61.93	2,052.18	2,083.16
Buildings	10,521.62	795.94	(6.67)	11,310.89	1,181.20	1,387.78	(4.76)	2,564.22	8,746.67	9,340.42
Plant and Equipments	2,271.81	100.88	(7.35)	2,365.34	366.77	350.07	(6.46)	710.38	1,654.96	1,905.05
Furniture & Fixtures	1,358.63	61.11	(27.12)	1,392.62	379.01	442.49	(26.45)	795.05	597.57	979.62
Service Equipment	96.94	144.69	(5.16)	236.47	38.42	56.52	(5.11)	89.83	146.64	58.52
Vehicles	154.20	31.14	(45.47)	139.86	49.39	38.48	(43.20)	44.67	95.19	104.81
Computers	195.30	25.37	-	220.67	102.76	50.54	-	153.30	67.37	92.54
<b>Total</b>	<b>19,381.40</b>	<b>1,159.12</b>	<b>(91.77)</b>	<b>20,448.75</b>	<b>2,148.50</b>	<b>2,356.86</b>	<b>(85.98)</b>	<b>4,419.38</b>	<b>16,029.37</b>	<b>17,232.90</b>

**Note 3 : CAPITAL WORK-IN-PROGRESS**

(Rs. In Lakhs)

Particulars	As at 01.04.2018	Additions	Capitalised during the year	As at 31.03.2019
Capital work in progress	35.47	115.06	-	150.53
<b>Total</b>	<b>35.47</b>	<b>115.06</b>	<b>-</b>	<b>150.53</b>

(Rs. In Lakhs)

Particulars	As at 01.04.2017	Additions	Capitalised during the year	As at 31.03.2018
Capital work in progress	7.56	28.11	0.20	35.47
<b>Total</b>	<b>7.56</b>	<b>28.11</b>	<b>0.20</b>	<b>35.47</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

The amount of expenditures recognised in CWIP during construction period

(Rs. In Lakhs)

Particulars	For the year Ended as on 31.03.2019	For the year Ended as on 31.03.2018
(a) Expenses Recognised in P/L Employee Benefits Expenses	-	-
<b>Total expenses</b>	-	-
(b) Capital Inventory and stores	115.06	28.11
<b>Total additions during the year (a) + (b)</b>	115.06	28.11

^carried to Capital Work in Progress (Note 3)

**Note 4: INTANGIBLE ASSETS**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2018	Additions	Deletions/ Adjustment	As at 31.03.2019	Upto 01.04.2018	For the Year	Deletions/ Adjustment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Software & Licences	100.51	17.20		117.71	28.61	71.85		100.46	17.25	71.90
<b>Total</b>	<b>100.51</b>	<b>17.20</b>	-	<b>117.71</b>	<b>28.61</b>	<b>71.85</b>	-	<b>100.46</b>	<b>17.25</b>	<b>71.90</b>

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2017	Additions	Deletions/ Adjustment	As at 31.03.2018	Upto 01.04.2017	For the Year	Deletions/ Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Software & Licences	17.60	82.91	-	100.51	10.94	17.67	-	28.61	71.90	6.66
<b>Total</b>	<b>17.60</b>	<b>82.91</b>	-	<b>100.51</b>	<b>10.94</b>	<b>17.67</b>	-	<b>28.61</b>	<b>71.90</b>	<b>6.66</b>

**NON-CURRENT FINANCIAL ASSETS**

**Note 5 : Investment in Associate**

Particulars	Number of shares Current Year / (Previous Year)	Face Value per share Current Year / (Previous Year)	As at 31st March, 2019	As at 31st March, 2018
<b>Investment in Associate</b> <b>(Accounted for using Equity Method)</b> <b>Equity Instruments- Unquoted Fully paid up</b> Barbeque-Nation Hospitality Ltd.	12,621,116 (12621116)	5.00 (5.00)	8,340.43	8,779.27
<b>Total</b>			<b>8,340.43</b>	<b>8,779.27</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 6 : Non - Current Financial Assets: Investments**

(Rs. In Lakhs)

Particulars	Number of shares Current Year / (Previous Year)	Face Value per share Current Year / (Previous Year)	As at 31st March, 2019	As at 31st March, 2018
<b>A. Trade Investment (Unquoted At FVTPL)</b>				
Genex Hotels Pvt. Ltd.	1,100	10.00	0.11	0.11
	(1,100)	(10.00)		
Winner Hotels Pvt. Ltd	2,300	10.00	0.23	0.23
	(2,300)	(10.00)		
Exellent Estate Dev. P. Ltd.	65,000	10.00	-	0.01
	(65,000)	(10.00)		
Ahilya Hotels Ltd.	276,185	10.00	-	110.47
	(276185)	(10.00)		
Less: Provision for Impairment			(0.23)	-
<b>Sub-Total (A)</b>			<b>0.11</b>	<b>110.82</b>
<b>B. Other Investments (Unquoted At FVTPL)</b>				
Bharat Equity Services Ltd.	100,000	10.00	0.10	0.10
	(100000)	(10.00)		
<b>Sub-Total (B)</b>			<b>0.10</b>	<b>0.10</b>
<b>Total (A+B)</b>			<b>0.21</b>	<b>110.92</b>

**Note 7 : Non - Current Financial Assets: Loans**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good		
Security Deposits*	773.54	637.61
Other Loans & Advances	-	430.46
Less: Receivables credit impaired	-	51.45
<b>Total</b>	<b>773.54</b>	<b>1,016.62</b>

\*As on 31.03.2019 Include Rs. 682.34 lacs (Previous year Rs. 462.15 lacs) deposit given to Prinite Hospitality Pvt Ltd and Rs.51.31 lacs (Previous year Rs. 46.05 Lakhs) given to M/s Vicon Imperial Private Ltd.

**Note 8 : Non-current Financial Assets : Others**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed Deposits Against lien & Bank Guarantee*	100.53	98.60
<b>Total</b>	<b>100.53</b>	<b>98.60</b>

\*Maturity after 12 months & pledged with bank against margin money.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 9 : Deferred Tax assets (net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>On account of Timing Difference in</b>		
Carry Forward losses & Depreciation	63.12	106.51
Expenses Disallowed under I.T. Act., 1961	1,271.85	1,338.54
Depreciation on fixed assets	232.26	188.17
MAT Credit entitlement	19.32	20.60
Other Ind AS Adjustments	64.01	64.44
<b>Total Deferred Tax Assets</b>	<b>1,650.56</b>	<b>1,718.26</b>
Other Ind AS Adjustments	771.03	820.26
Transaction cost on borrowings	43.15	29.87
<b>Total Deferred Tax Liabilities</b>	<b>814.18</b>	<b>850.13</b>
<b>Net Deferred Tax(Liability)/Assets*</b>	<b>836.38</b>	<b>868.13</b>
Less: Adjustment on account of Deferred tax of Aries Hotel Pvt Ltd.(Asset held for sale)	(3.76)	-
	832.62	868.13
<b>Amount debited/(Credited) to Profit &amp; Loss Statement</b>	<b>(31.75)</b>	<b>(166.98)</b>

\* Deferred tax liability for the year have been arrived at by taking the tax rate of 27.82% (31 March, 2018 34.944%) which is inclusive of education cess.

**Movement in Deferred Tax Asset/Liability For the Year Ended As on 31.03.2019**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2018	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2019
<b>Deferred tax Liabilities :</b>				
Other Ind AS Adjustments	820.26	(49.23)	-	771.03
Transaction cost on borrowings	29.87	13.28	-	43.15
Less: Deferred tax assets:				
Carry Forward losses & Depreciation	106.51	(43.39)	-	63.12
Expenses Disallowed under I.T. Act., 1961	1,338.54	(58.50)	(8.19)	1,271.85
Depreciation on fixed assets	188.17	44.09	-	232.26
MAT Credit entitlement	20.60	(1.28)	-	19.32
Other Ind AS Adjustments	64.44	(0.43)	-	64.01
<b>Net Tax (assets)/liabilities</b>	<b>(868.13)</b>	<b>23.56</b>	<b>8.19</b>	<b>(836.38)</b>

**Movement in Deferred Tax Asset/Liability For the Year Ended As on 31.03.2018**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2017	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2018
<b>Deferred tax Liabilities :</b>				
Other Ind AS Adjustments	652.70	167.56	-	820.26
Transaction cost on borrowings	30.87	(1.00)	-	29.87
Less: Deferred tax assets:				
Carry Forward losses & Depreciation	183.19	(76.68)	-	106.51
Expenses Disallowed under I.T. Act., 1961	257.64	1,080.90	-	1,338.54
Depreciation on fixed assets	1,219.31	(1,031.14)	-	188.17
On cash Flow hedge reserve	0.19	-	(0.19)	-
MAT Credit entitlement	-	20.60	-	20.60
Other Ind AS Adjustments	58.35	6.09	-	64.44
<b>Net Tax (assets)/liabilities</b>	<b>(1,035.11)</b>	<b>166.79</b>	<b>0.19</b>	<b>(868.13)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 10 : Other non-current assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Capital Advances*</b>		
Unsecured	22.55	19.42
<b>Advances Other Than Capital Advances</b>		
Prepaid Lease Charges	1,235.59	1,125.79
Deferred Lease Expenses	11.49	-
Electricity Deposit	103.72	111.17
Raipur Lease- Stamp Duty payment Unamortised	56.23	60.91
<b>Total</b>	<b>1,429.58</b>	<b>1,317.29</b>

\*Given for business purpose.

**Note 11 : Inventories**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(Valued at cost or NRV whichever is less &amp; certified by management)</b>		
Operating Supplies	1,843.19	1,700.49
Food & Beverages	162.97	138.99
<b>Total</b>	<b>2,006.16</b>	<b>1,839.48</b>

**Disclosure As per Ind AS 2, Inventories**

**(i) Amount of inventories recognised as expense during the year is as under:**

(Rs. In Lakhs)

Particulars	For the year 2018-19	For the year 2017-18
Operating Supplies	760.95	753.14
Food & Beverages	4,810.49	4,542.73
<b>Total</b>	<b>5,571.44</b>	<b>5,295.87</b>

(ii) Refer Note 25.1 for information on inventory pledged as security by the Company.

**Note 12 : Current Financial Assets: Trade Receivables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered Good</b>	1,072.52	1,016.73
<b>Considered doubtful</b>	-	0.21
Less: Receivable with significant increase in credit risk	(36.97)	(32.43)
Less: Receivables credit impaired	-	-
<b>Total</b>	<b>1,035.55</b>	<b>984.51</b>

**Note 13 : Cash and Cash Equivalents**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Cash on Hand</b>	45.50	50.19
<b>Balances with Bank</b>	-	-
In current Accounts With Scheduled Bank	485.78	1,239.05
Investment in Liquid Funds	-	70.18
<b>Total</b>	<b>531.28</b>	<b>1,359.42</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 14 : Bank Balances Other than Cash and cash equivalents**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed Deposits Against lien	17.59	3.52
<b>Total</b>	<b>17.59</b>	<b>3.52</b>

**Note 15 : Current Financial Assets: Loans**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered good</b>		
Staff Advances & Loan	415.03	254.72
Intercompany Deposits	111.49	-
Other Loans & Advances*	101.88	46.76
<b>Total</b>	<b>628.40</b>	<b>301.48</b>

\*Loans and advances have been given for business purposes.

**Note 16 : Other Current Financial Assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Telephone Deposit	0.34	0.34
Bank Charges-Receiveable	0.07	-
Advance for expenses	0.64	-
GST Receivable on Bank Charges	0.03	-
Others	313.88	207.12
Less: Provision for doubtful advances	(1.72)	(1.72)
<b>Total</b>	<b>313.24</b>	<b>205.74</b>

**Note 17 : Other Current Assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax	47.82	-
Provision for current year Tax	(22.68)	-
<b>Total</b>	<b>25.14</b>	<b>-</b>

**Note 18 : Other current assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Prepaid Expenses	145.42	146.99
Prepaid lease charges	105.00	44.27
Other current assets	14.38	1.68
Advance to suppliers for goods & services*	65.43	45.74
Balance with Govt. authorities	655.28	545.50
Current portion of Unamortised Stamp Duty Payment of Raipur Lease	4.69	4.69
<b>Total</b>	<b>990.20</b>	<b>788.87</b>

\*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 19 : Asset Held for Sale**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Interest In Subsidiary</b>		
Aries Hotels Private Limited	670.77	-
Less: Provision for Impairment	(52.41)	-
(52,18,000 shares of Rs 10 each)		
<b>Total</b>	<b>618.36</b>	<b>-</b>
Liability directly associated with Assets classified as Held for Sale	43.60	-
<b>Total</b>	<b>43.60</b>	<b>-</b>

**EQUITY**

**Note 20 : Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>AUTHORISED</b>		
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity Shares of Rs.10/- each)	3,000.00	3,000.00
1,000,000 Preference Shares of Rs. 100/- each (Previous year 1,000,000 Preference Shares of Rs. 100/- each)	1,000.00	1,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>ISSUED</b>		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>
<b>SUBSCRIBED &amp; PAID-UP</b>		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	Rs. in Lakhs	No of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	17,518,000	1,751.80	17,518,000	1,751.80
Add : Fresh issue during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>17,518,000</b>	<b>1,751.80</b>	<b>17,518,000</b>	<b>1,751.80</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 21 : Other Equity**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
Equity Component of Cumulative Preference Shares	21.1	251.66	251.66
Securities Premium	21.2	5,944.60	5,944.60
General Reserve	21.3	641.48	641.48
Retained Earnings	21.4	5,378.76	5,760.49
Cash Flow Hedge Reserve	21.5	-	-
Other comprehensive share	21.6	(102.52)	(13.63)
<b>Total</b>		<b>12,113.98</b>	<b>12,584.60</b>

(Rs. In Lakhs)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>21.1</b>	<b>Equity Component of Compound financial instrument</b>		
	Opening at beginning	251.66	251.66
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>251.66</b>	<b>251.66</b>
<b>21.2</b>	<b>Securities Premium</b>		
	Opening at beginning	5,944.60	5,944.60
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>5,944.60</b>	<b>5,944.60</b>
<b>21.3</b>	<b>General Reserve</b>		
	Opening at beginning	641.48	641.48
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>641.48</b>	<b>641.48</b>
<b>21.4</b>	<b>Retained earnings</b>		
	Opening at beginning	5,760.49	4,378.34
	Adjustments relating to Fixed Assets	-	-
	Addition during the year	(446.59)	1,497.55
	Ind AS Adjustment in JV	-	(0.28)
	Deferred Tax Impact	43.88	(175.73)
	Net actuarial Gain / (Loss) on defined benefit plan	20.98	60.61
	<b>Closing at end</b>	<b>5,378.76</b>	<b>5,760.49</b>
<b>21.5</b>	<b>Cash Flow Hedge Reserve</b>		
	Opening at beginning		(0.37)
	Addition during the year	-	0.37
	<b>Closing at end</b>	<b>-</b>	<b>-</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

	Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>21.6</b>	<b>Other comprehensive Income</b>		
	Opening at beginning	(13.63)	(0.79)
	Addition during the year	(88.89)	(13.12)
	Transfers to profit and loss	-	0.28
	<b>Closing at end</b>	<b>(102.52)</b>	<b>(13.63)</b>
	<b>Total Other Equity</b>	<b>12,113.98</b>	<b>12,584.59</b>
<b>21.7</b>	<b>Non Controlling Interest</b>		
	Opening at beginning	466.51	453.47
	Addition during the year	11.84	13.04
	<b>Closing at end</b>	<b>478.35</b>	<b>466.51</b>

**Note 22 : Non Current Financial Liabilities: Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>A. Secured Term Loans</b>		
i) From Banks	3,842.20	5,054.22
ii) From Financial Institutions	303.92	700.00
iii) From NBFC	1,844.85	2,106.07
<b>Total (A)</b>	<b>5,990.97</b>	<b>7,860.29</b>
<b>B. Unsecured Borrowing</b>		
i) Liability component of Cumulative Preference Shares	2,013.59	1,797.85
ii) Related Parties	-	400.00
<b>Total (B)</b>	<b>2,013.59</b>	<b>2,197.85</b>
<b>Total (A+B)</b>	<b>8,004.56</b>	<b>10,058.14</b>

**(a) Terms/rights attached to preference shares :**

**22.1** That during Financial year 2014-15 company had issued 10,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs.50/- each. Out of above, pending 83338 shares were subscribed & paid up during the year 2015-16.(P.Y. 10,00,000 Preference Shares) of Rs.100/- each)

**22.2** That above shares are to be redeemed within five years from the date of issue of same, at the rate of Rs. 220/- per preference share.

**22.3** These shares are in the nature of compound financial instruments. And so they are bifurcated into equity and liability component in accordance with Ind AS 32. Equity component is computed as below:

Particulars	(Rs. in Lakhs)
Preference Share Capital (Subscribed and paid up)	1,000.00
Add: Securities Premium on issue	500.00
Less: Liability component (Present value of Contractual Cash Outflows)	(1,248.34)
<b>Equity Component</b>	<b>251.66</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**22.4** That above Preference share holders are having preference over payment of dividend to equity share holders and accordingly arrears of preference dividends is required to be cleared before payment to Equity Share holders. And on the date of Balance Sheet, dividend on preference shares for more than 3 years are in arrears. And accordingly vide Second Proviso to Section 47(2) of the Companies Act, 2013, in case company is unable to pay dividend on preference shares for two years or more then such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

**22.5 Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:-**

Name	Category	As at 31st March, 2019		As at 31st March, 2018	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Saba Dhanani	Promoter	12.50%	125000	12.50%	125000
Azhar Dhanani	Promoter	12.50%	125000	12.50%	125000
Zuber Yusuf Dhanani	Promoter	12.50%	125000	12.50%	125000
Sadiya Dhanani	Promoter	12.50%	125000	12.50%	125000
Kayum Dhanani	Promoter	12.50%	125000	12.50%	125000
Sara Dhanani	Promoter	12.50%	125000	12.50%	125000
Sanya Dhanani	Promoter	12.50%	125000	12.50%	125000
Suchitra Dhanani	Promoter	12.50%	125000	12.50%	125000

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**22.6 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-** (Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 1st March, 2018
Outstanding at the beginning of the year	1,000,000	1,000,000
Add : Issued during the year	-	-
Outstanding at the end of the year	1,000,000	1,000,000

**22.7 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN**

**22.7.1** All Secured loans have been netted from the instalments falling due within twelve months after the reporting date.

and summarized outstanding position is as under :

(Rs. In Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
<b>From Banks</b>				
State Bank of India	696.34	2,287.59	499.56	2,929.36
Axis Bank Ltd	618.96	1,501.55	173.54	2,103.99
HDFC Bank Ltd	15.43	53.06	11.69	20.87
<b>Sub Total (i)</b>	<b>1,330.73</b>	<b>3,842.20</b>	<b>684.79</b>	<b>5,054.22</b>
<b>From Financial Institutions</b>				
TFCI	400.00	303.92	506.21	700.00
<b>Sub Total (ii)</b>	<b>400.00</b>	<b>303.92</b>	<b>506.21</b>	<b>700.00</b>
<b>From NBFC</b>				
Aditya Birla Finance Ltd	259.85	1,844.85	251.05	2,106.07
<b>Sub Total (iii)</b>	<b>259.85</b>	<b>1,844.85</b>	<b>251.05</b>	<b>2,106.07</b>
<b>GRAND TOTAL (i)+(ii)+(iii)</b>	<b>1,990.58</b>	<b>5,990.97</b>	<b>1,442.05</b>	<b>7,860.29</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

- 22.7.2** Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, HDFC Bank Ltd.
- 22.7.3** Term loans outstanding of State Bank of India include term loans account. Loan are secured by way of mortgage of land & building at Indore hotel, Amber garden Indore, Vadodara & Pune & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered to the bankers for securing the working capital finance. The terms of repayment of all term loans of State Bank of India is on quarterly basis & interest is payable on monthly basis.
- 22.7.4** Term loans outstanding of Axis Bank Ltd include term loans account and corporate loan. Term loan outstanding is secured by way of first charge on Company's entire fixed assets, present & future, ranking pari passu with other existing term lenders. The term of repayment is on quarterly basis for term loan and monthly basis for corporate loan & interest is payable on monthly basis.
- 22.7.5** Vehicle loans outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.
- 22.7.6** Secured term loans from Financial Institutions & others includes term loan outstanding of Tourism Finance Corporation of India Ltd (TFCIL) and Aditya Birla Finance Limited.
- 22.7.7** Term loan outstanding from TFCIL is secured on pari-passu basis by way of mortgage of land & building at Indore, Pune & Vadodara & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. And by way of Mortgage of lease hold right of Amber Garden, Indore along with building Structure thereon and first charge by way of hypothecation of movables of Bhopal Club project, Bhopal. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis, This loan is personally guranteed by Smt Suchitra Dhanani.
- 22.7.8** Corporate loan outstanding from Aditya Birla year is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Amber Garden, Pune and Vadodara and Hypothecation of the plant and machinery and other movable fixed assets of company (present and future except vehicles Funded through Vehicle Loan). The term of repayment of prinipal and interest is on monthly basis.
- 22.7.9** Term loans of Malawa hospitality Pvt. Ltd outstanding of State Bank of India include term loans account. Loan are secured by way hypothecation of entire fixed assets of company.
- 22.7.10** Vehicle loans of Malawa hospitality Pvt. Ltd outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.

**Note 23 : Other Non Current Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposits From Tenants	46.96	66.32
Finance lease payable	18.61	18.09
Others*	2,000.00	2,000.00
<b>Total</b>	<b>2,065.57</b>	<b>2,084.41</b>

\*Payable towards cancellation of agreement for land at Indore hotel. This amount is now payable within 2 years. Interest @ 9% p.a is payable on the outstanding amount.

**Note 24 : Provisions**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Provisions for Employee Benefits</b>		
Gratuity	331.70	308.13
Leave Encashment*	314.00	305.01
<b>Total</b>	<b>645.70</b>	<b>613.14</b>

**24.1** \*The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

**24.2** \*The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 25 : Deferred Revenue**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Subsidy received from M.P. State Tourism Development Corp. Ltd. *</b>		
Opening Balance	600.44	681.50
Add: Received During the Year	-	-
Less: Amortised During the Year	(70.33)	(81.06)
<b>Closing Balance</b>	<b>530.11</b>	<b>600.44</b>
Less : Current Portion	(61.13)	(70.33)
<b>Non Current Balance at the end of the year</b>	<b>468.98</b>	<b>530.11</b>
<b>(b) Life Membership Fees</b>		
Opening Balance	55.76	40.05
Add: Received During the Year	-	22.40
Less: Amortised During the Year	(6.69)	(6.69)
<b>Closing Balance</b>	<b>49.07</b>	<b>55.76</b>
Less : Current Portion	(6.69)	(6.69)
<b>Non Current Balance at the end of the year</b>	<b>42.38</b>	<b>49.07</b>
<b>Closing at end</b>	<b>511.36</b>	<b>579.18</b>

\*During year 2016-17, company has received Capital Subsidy under M.P. Tourism Policy, 2010 (as amended in 2014) amounting to Rs. 729.93 Lacs against its "Amber Convention Centre", Indore. As per AS-12 "Accounting for Government Grants", the above subsidy is treated as deferred income and is recognised in profit and loss account on a systematic and rational basis over the useful life of assets. Such allocation has been made over the periods and in proportions in which depreciation on "Amber Convention Centre" is charged.

**Note 26 : Current Financial Liabilities : Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>A. Secured</b>		
Working capital facilities from Banks	563.13	258.14
<b>Total (A)</b>	<b>563.13</b>	<b>258.14</b>
<b>B. Unsecured</b>		
Loans From related parties	1,129.53	923.06
Loans From others	718.76	253.04
<b>Total (B)</b>	<b>1,848.29</b>	<b>1,176.10</b>
<b>Total (A+B)</b>	<b>2,411.42</b>	<b>1,434.24</b>

**Note 27 : Current Financial Liabilities: Trade Payables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables*		
Total outstanding dues of micro enterprises and small enterprises; and	16.06	-
Total outstanding dues of creditors other than micro enterprises and small enterprises.	1,277.40	1,247.56
<b>Total</b>	<b>1,293.46</b>	<b>1,247.56</b>

\*Trade payables are for goods purchased and services taken during the normal course of business.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**"Information in respect of micro and small enterprises as at 31 March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)"** **(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Amount remaining unpaid to any supplier:	-	-
Principal amount	16.06	-
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) 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 enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

**Note 28 : Other Current Financial Liabilities**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Current Maturities of Long-Term Loans*</b>		
<b>Secured Term Loans</b>		
From Banks	1,330.73	684.79
From Financial Institutions	400.00	506.21
From NBFC	259.85	251.05
<b>Total (A)</b>	<b>1,990.58</b>	<b>1,442.05</b>
<b>Others</b>		
Creditors for capital Expenditure	43.12	135.61
Book Overdrafts	-	13.60
Derivative Liabilities	46.59	20.91
Finance lease payable	1.89	1.89
Prepaid Lease Finance	22.78	26.56
Others	1.14	0.14
<b>Total (B)</b>	<b>115.52</b>	<b>198.71</b>
<b>Total (A+B)</b>	<b>2,106.10</b>	<b>1,640.76</b>

\*Refer note no.- 22.7 for loanwise current maturities and other terms and conditions.

**Note 29 : Other Current Liabilities**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current portion of deferred revenue	67.82	77.01
Advance received from customers	298.73	261.56
Statutory Dues	357.13	423.68
Advance received for sale of Investments*	275.99	-
Others	82.89	19.88
<b>Total</b>	<b>1,082.56</b>	<b>782.13</b>

30.4 Advance received for sale of Investment in subsidiary (Aries Hotels Private Ltd) from promoters of the company such investment is classified as held for sale (Refer note no 19).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 30 : Provisions**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Provision for</b>		
Gratuity	98.37	9.56
Leave Encashment	23.13	22.23
Bonus	206.72	199.53
Audit Fess	0.40	0.45
Expenses	333.04	284.48
Previous Income Tax	-	2.55
<b>Total</b>	<b>661.66</b>	<b>518.80</b>

**Note 31 : Current Tax Liabilities (Net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for current year Tax	-	49.33
<b>Total</b>	<b>-</b>	<b>49.33</b>

**Note 32 : Revenue From Operations**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Sale of Products &amp; Services (Gross)</b>		
Rooms	9,239.81	7,911.32
Food and Beverages	13,151.09	11,969.24
Other Services*	2,050.19	1,701.41
<b>Total</b>	<b>24,441.09</b>	<b>21,581.97</b>

\*Revenue from others services includes income from club, rental income and income from banquet service etc.

**Note 33 : Other Income**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Earned*	267.16	131.22
Other Non –Operating Income	47.80	53.47
Sundry Balances W/off	-	7.08
Excess/(Short) Provision of Earlier Year Written Back	39.09	11.66
Deferred Revenue Income (Subsidy) (See Note 3-B)	70.32	81.06
Profit on Redemption of Mututal Funds	4.96	2.75
Profit on sale/disposal of assets	0.12	-
Other	99.53	-
Finance income on security deposit	1.36	0.03
<b>Total</b>	<b>530.34</b>	<b>287.27</b>

\*Includes interest on Bank deposits Rs. 9.31 Lacs (PY Rs. 4.61Lacs) & on loans & advances and other security deposits Rs. 257.85 Lacs (PY Rs. 126.61 Lacs)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 34 : Food & Beverages Consumed**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening Stock	139.00	153.56
Add : Purchases*	4,834.46	4,528.17
	4,973.46	4,681.73
Less : Closing Stock	162.97	139.00
<b>Total</b>	<b>4,810.49</b>	<b>4,542.73</b>

\*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.

**Note 35 : Employee Benefit Expenses\***

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, Wages and Allowances	5,939.90	5,284.24
Contribution to P.F. and other Funds	400.04	375.44
Workmen and Staff Welfare Expenses	102.51	103.33
Workmen and Staff Uniform Expenses	188.22	202.63
<b>Total</b>	<b>6,630.67</b>	<b>5,965.64</b>

**Note 36 : Finance Cost**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on term Loan	1,062.46	1,076.99
Interest on Others	497.86	327.69
Finance cost on lease payable	2.47	2.41
Other expenses	4.24	40.71
Finance cost on Preference Share	215.76	192.64
Foreign Exchange Fluctuation	92.25	(12.21)
<b>Total</b>	<b>1,875.04</b>	<b>1,628.23</b>

Interest expense includes interest paid on term loans & vehicle loans. Interest on others includes interest on credit facilities. Other expenses includes bank charges. Other borrowing cost includes processing fees & upfront fees of loans and forward premium.

**Note 37 : Operating Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Stores & Operating Supplies*	760.95	753.14
Repairs and Maintenance		
Building	171.45	287.00
Plant & Machinery	190.27	191.75
Others	184.04	232.59
Laundry Expenses	283.11	282.42
Guest pick up Expenses	320.90	259.34
Cable TV Expenses	30.02	31.85
Banquet Service expenses	856.07	655.22
Other Operating Expenses **	587.99	536.84
Power and Fuel	2,008.98	1,813.04
<b>Total</b>	<b>5,393.78</b>	<b>5,043.19</b>

\*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

\*\*Other Operating Expenses includes house keeping & upkeeping expenses, expenses for F&B operations & club.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 38 : Other Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Lease Rent	1,882.60	1,244.48
Amortisation of lease deposit	8.92	8.92
Brand Royalty	17.87	18.12
Rates & Taxes	209.64	198.34
Insurance	29.19	28.58
Travelling and Conveyance	119.44	122.30
Postage, Telegram and Telephones	81.21	80.03
Advertisement and Publicity	100.15	90.25
Legal & Professional	275.26	233.89
Printing and Stationery	60.38	66.62
Credit Card Commission	134.37	110.62
Commission & Discount	40.19	35.18
Other Expenses	282.69	288.80
Auditors' Remuneration		
Statutory audit	9.83	9.60
Certification other matters	2.50	2.50
Sundry Balances W/off	29.05	-
Management Consulting-Travelling & Salary Expenses	18.12	-
Provision for doubtful debts	4.75	33.72
Loss on account of change in ownership in associate	-	0.28
Loss on Impairment of Investment	52.41	-
Loss On Disposal/Retirement Of Assets	89.72	0.48
<b>Total</b>	<b>3,448.29</b>	<b>2,572.71</b>

**Note 39 : Exceptional Items (Income) / Expense**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Litigation Settlement*	184.89	-
<b>Total</b>	<b>184.89</b>	<b>-</b>

\*Litigation Settlement of Rs. 184.89 lakhs (Net) is the settlement amount as per the District Court order dated 23.02.2019 in the matter of dispute between the company and party regarding a portion of land. Company has got clear possession of the land as per the Court's order.

**Note 40 : Earnings Per Share**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a) Amount used as the numerator profit after tax	(1,328.45)	(389.11)
Less: Dividend on Preference Shares & Income Tax Thereon	120.56	120.36
Net Profit/(Loss) attributable to equity share holders	(1,449.01)	(509.47)
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	17,518,000	17,518,000
Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.	-	-
Weighted average number of shares used in computing Diluted Earning per Share	17,518,000	17,518,000
c) Nominal value per share	10.00	10.00
d) Earnings Per Share:		
- Basic	(8.27)	(2.91)
- Diluted	(8.27)	(2.91)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 41 : Disclosure as per Ind AS-7, Cash Flow Statement**

The Company has accessed the following undrawn facilities at the end of reporting period

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Working capital Loans		
Expiring Within One Year	875.00	1,291.86
Floating Rate Borrowings		
Expiring Within One Year	131.00	631.00

**Note 42 : Disclosure As per Ind AS-12 Income Taxes**

**i) Income Tax recognised in statement of profit & loss account.**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Current Tax Expenses</b>		
Current year	278.43	176.84
Adjustment for earlier year	0.87	(18.38)
MAT Credit entitlement	(18.70)	-
<b>Total current Tax expenses</b>	<b>260.60</b>	<b>158.46</b>
Deferred Tax Expenses	23.57	166.81
<b>Total Income tax expenses</b>	<b>284.17</b>	<b>325.27</b>

**ii) Income tax recognised in other comprehensive income**

(Rs. In Lakhs)

Particular	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Before tax	Tax expense/ Benefit	Net of tax	Before tax	Tax expense/ Benefit	Net of tax
-Net actuarial gain/loss on defined benefit plan	30.05	(8.19)	21.86	86.56	(30.83)	55.73
-Changes in cash flow hedge reserve	-	-	-	0.56	(0.19)	0.37

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Profit before tax</b>	<b>(1,044.28)</b>	<b>(63.84)</b>
<b>Tax using company's domestic tax rate 34.608%(P.Y. 33.99%)</b>	<b>(290.52)</b>	<b>(22.09)</b>
Add: Earlier Year tax	0.87	(18.38)
Add: MAT Adjustment	(18.70)	1.25
Add: Expenses not Allowed in Income Tax	328.53	31.96
Add: Deferred Tax	61.70	
Less: Others	3.47	140.04
Less: Exempt Income	(52.73)	66.67
Less: Profit or Loss charged at different tax rate	71.78	-
Less: Tax charge to/ credit on account of depreciation allowances	(41.15)	-
Add: Adjustment on account of Associate Share	220.92	125.82
<b>Tax as per Statement of Profit &amp; Loss</b>	<b>284.17</b>	<b>325.27</b>
<b>Effective Rate of Tax</b>	<b>-27.21%</b>	<b>-509.49%</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 43 : Disclosure as per Ind AS-17, Leases**

The Company has taken certain hotels on non-cancellable operating lease.

As required under the Ind AS-17 on 'Leases', lease payments recognized for the year and the future minimum lease payments are as follows:

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Lease payment recognized in statement of Profit or Loss	1,882.60	1,244.48
Contingent rent recognised in Profit or Loss	-	-
<b>Total</b>	<b>1,882.60</b>	<b>1,244.48</b>

**Operating Leases**

**Lease as Lessee**

The Company has taken land on operating lease. The lease of hotel properties are generally long term in nature with varying terms and renewal rights expiring within five years to one hundred & ninety eight years. On renewal, the terms of the leases are renegotiated. The total lease rent paid on the same is included under Lease Rent forming part of Other Expenses (Refer note no 36).

**Financial Leases**

**Lease as Lessee**

The company acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. These leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Future lease rentals are recognised as 'Finance lease obligation' at their present values. The leasehold land is amortised considering the significant accounting policies of the company.

(Rs. In Lakhs)

Particular	31st March, 2019		31st March, 2018	
	MLP	Present value of MLP	MLP	Present value of MLP
Not Later than one year	1.95	1.89	1.95	1.89
Between one and five years	9.76	5.59	9.76	6.60
More than five years	219.57	13.03	219.57	11.50
<b>Total MLP</b>	<b>231.28</b>	<b>20.51</b>	<b>231.28</b>	<b>19.99</b>
Less amount representing finance charges	210.77	-	211.29	-
<b>Present value of MLP'S</b>	<b>20.51</b>	<b>20.51</b>	<b>19.99</b>	<b>19.99</b>

**Note 44 : Disclosure as per Ind AS-19, Employee benefits**

**(a) Defined benefit plan**

The Company makes annual contributions to the Employee's Group Gratuity scheme of the SBI Life Insurance Co. Ltd., a funded defined benefit plan for the qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the terms of the scheme. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the status of the funded gratuity plan and the amounts recognized in the company's financial statements as at March 31, 2019:-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Changes in Present Value of Obligation**

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Present value of obligation as on last valuation	317.69	314.22
Current Service Cost	84.74	59.97
Interest Cost	24.53	24.17
Participant Contribution	-	-
Plan Amendments: Vested portion at end of period(Past Service)	-	5.56
Plan Amendments: Non-Vested portion at end of period(Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	4.38	(75.93)
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(34.34)	(10.30)
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other(Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	397.00	317.69

**Changes in Fair Value of Plan Assets**

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Fair value of Plan Assets at Beginning of period	17.91	11.69
Interest Income	1.55	0.90
Employer Contributions	5.00	5.00
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	(0.01)	-
Benefits Paid	-	-
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange Rates	-	-
Administrative Expenses and Insurance Premium	-	-
Return on Plan Assets excluding Interest Income	0.09	0.32
Fair value of Plan Assets at End of measurement period	24.54	17.91

**Table Showing Reconciliation to Balance Sheet**

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Funded Status	396.99	(299.78)
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial gain/loss at end of the period	-	-
Post Measurement Date Employer Contribution(Expected)	-	-
Unfunded Accrued/Prepaid Pension cost	-	-
Fund Asset	24.54	17.91
Fund Liability	372.45	317.69

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Table Showing Plan Assumptions**

Particulars	31st March, 2019	31st March, 2018
Discount Rate	7.60%	7.70%
Expected Return on Plan Asset	7.60%	7.70%
Rate of Compensation Increase(Salary Inflation)	6.00%	6.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	28.51	29
Mortality Table	IALM 2012-2014 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age-Male	58	58
Superannuation at age-Female	58	58
Early Retirement & Disablement (All Causes Combined)	18-29 years 32%, 30-45 years 18%	18-29 years 32%, 30-45 years 18%
above age 45	0.05	0.05
Between 29-45	0.18	0.18
below age 29	0.32	0.28
Voluntary Retirement	Ignored	Ignored

**Expense Recognized in statement of Profit/Loss**

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Current Service Cost	84.73	59.97
Past Service Cost(vested)	-	5.56
Net Interest Cost	25.39	23.27
<b>Benefit Cost(Expense Recognized in Statement of Profit/loss)</b>	<b>107.71</b>	<b>88.81</b>

**Expense Recognized in Other Comprehensive Income**

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Actuarial gain/loss on obligations due to Change in Financial Assumption	4.38	(75.94)
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(34.34)	(10.31)
Actuarial gain/loss on obligations due to Other reason	-	-
Total Actuarial (gain)/losses	(29.96)	(86.24)
Return on Plan Asset, Excluding Interest Income	0.09	0.32
The effect of asset ceiling	-	-
Balance at the end of the Period	(30.05)	(86.56)
<b>Net(Income)/Expense for the Period Recognized in OCI</b>	<b>(27.75)</b>	<b>(92.69)</b>

**Sensitivity Analysis**

Particulars	31st March, 2019		31st March, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	344.49	382.38	289.62	349.80
Salary Growth (-/+ 0.5%)	384.56	342.16	350.12	289.11
Attrition Rate (-/+ 0.5%)	364.08	360.52	317.86	317.40

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Year**

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Current service Cost(Employer portion Only) Next period	77.09	82.34
Interest Cost next period	22.15	22.50
Expected Return on Plan Asset	1.38	0.88
Unrecognized past service Cost	-	-
Unrecognized actuarial/gain loss at the end of the period	-	-
Settlement Cost	-	-
Curtailment Cost	-	-
Other Actuarial Gain/(loss)	-	-
Benefit Cost	97.86	103.96

**Bifurcation of Net liability**

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Current liability	98.37	9.56
Non-Current Liability	331.70	308.13
<b>Total Liability</b>	<b>430.07</b>	<b>317.69</b>

**(b) Defined Contribution Plan**

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

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Contribution towards Provident Fund	400.04	375.44
<b>Total</b>	<b>400.04</b>	<b>375.44</b>

**(c) Other Long Term Employee benefit**

The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

The Company has recognised the following expenses as other long term employee benefit under the head "Contribution to Provident Fund and Other Funds"(net of recoveries).

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Leave Ecashment	102.16	73.05
<b>Total</b>	<b>102.16</b>	<b>73.05</b>

INTENTIONALLY LEFT BLANK

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 45 : Disclosure As per Ind AS-21, The Effects of Changes in Foreign Exchange Rates**

Foreign Currency transactions relating to monetary assets and liabilities as at the year end translated as per accounting policy no. 11, resulted in net gain/(Loss) of Rs. (92.25 )Lakhs (PY Rs. 12.21 Lakhs) which has been accounted under relevant heads in Statement of Profit and loss.

**Note 46 : Disclosure as Per Ind AS-24, Related Party Disclosure**

**List of Related Parties**

**1 Associate Companies**

Barbeque-Nation Hospitality Limited  
Winner Hotels Pvt. Ltd.

**2 Key Management Personnel**

**Parent Company**

Mr. Raoof Razak Dhanani	Managing Director
Mr. Kayum Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Whole Time Director
Mr. Sandesh Khandelwal	Chief Financial Officer
Mr. Amit Sarraf	Company Secretary

**Subsidiary Company**

**Aries Hotels Pvt. Ltd.**

Mr. Kayum Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director
Mr. T Narayanan Unni	Director
Mr. Maqsood Yusuf Merchant	Director

**Malwa Hospitality Pvt. Ltd.**

Mrs. Suchitra Sajid Dhanani	Director
Mr. Raoof Razak Dhanani	Director
Mr. Kayum Dhanani	Director
Mr. T.N. Unni	Director
Mr. Manish Kushwaha	Manager
Mr. Vipul Tripathi	Manager
Mr. Ajay Gupta	CFO

**Sayaji House Keeping Services Ltd.**

Mr. Kayum Razak Dhanani	Director
Mr. Raoof Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director

**Sayaji Hotels (Vadodara) Limited**

Mr. Raoof Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director
Mr. Amit Kumar Sinha	Director

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Sayaji Hotels (Pune) Limited**

Mr. Raoof Razak Dhanani	Director
Mr. Kayum Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director

**Sayaji Hotels Management Limited**

Mr. Raoof Razak Dhanani	Director
Mr. Kayum Razak Dhanani	Director
Mrs. Suchitra Sajid Dhanani	Director

**3 Enterprises where Key Management Personnel has control /interest**

**Parent Companies**

S S Management  
S.N. Travels  
Winner Hotels Pvt. Ltd.  
Trans Agro India Pvt. Ltd.  
A.R. Hospitality Pvt .Ltd.  
Vicon Imperial Pvt. Ltd.  
Tungabhadra Fertilizer & Chemical Co. Ltd.  
Prinite Hospitality Pvt. Ltd.

**Subsidiary Company**

**Aries Hotels Pvt. Ltd.**

Ahilya Hotels Pvt. Ltd.  
Taurus Qurium Impex (P) Ltd.  
Excellent Estate Dev. (P) Ltd.  
Late Sajid R Dhanani

**Malwa Hospitality Pvt. Ltd.**

M/s Tungabhadra Fertilizer & Chemical Ltd.  
M/s Sayaji Housekeeping Services Limited  
M/s Liberty Restaurent Pvt. Ltd.

**4 Relatives of KMPs**

Mr. Zuber Y Dhanani  
Mr. Azher Y Dhanani  
Mrs. Saba R Dhanani  
Mrs. Sadiya R Dhanani  
Mrs. Sara K Dhanani  
Mrs. Sanya S Dhanani  
Mr. Rizwan R Sheikh  
Mrs. Varsha Khandelwal  
Mr. Jameel Taher Sayed



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

Sr.No.	Nature of Transactions	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>A</b>	<b>KEY MANAGEMENT PERSONNEL</b>		
	Remuneration/ Salary	99.24	85.64
	Payable At The Year End	1,129.53	1,300.40
	Payment Of Interest	185.03	96.43
<b>B</b>	<b>ASSOCIATE COMPANIES/ FIRMS/ RELATIVES</b>		
	Lease Rent Expenses	1,124.72	510.24
	Lease Deposit	1,215.00	965.00
	Income From Business Support Services	142.29	-
	Expenses From Business Support Services	94.99	118.02
	Receivable At The Year End	66.03	475.56
	Payable At The Year End	139.21	288.37
	Lease Rent And Cam Charges Received	152.87	229.91
	Payment Of Royalty & Service Charge	15.24	18.12
	Payment Of Interest	13.50	15.39
	Payment Of Salary	13.39	-
	Payment Of Professional Fee	9.00	9.00
<b>C</b>	<b>Compensation to KMP</b>		
	Short term employee benefits	-	-
	Post employment Benefit	-	-
	Other Long term benefits	-	-
	Termination Benefits	-	-
	Sitting fees	-	-

**Note 47 : Movement of provision as per Ind AS-37, Provisions, Contingent Liabilities and Contingent Assets**

**Parent Company**

**I Contingent Liabilities not provided for**

- (i) Guarantee given on behalf of other companies Rs 6451.78 lakh (P.Y Rs 6873.60 lakh). This includes Guarantee given to State Bank of India on Behalf of Barbeque-Nation Hospitality Ltd. amounting Rs 4,000 lakh (P.Y 4000 lakh), guarantee given to Axis Bank Ltd on Behalf of Sana Hospitality Services Pvt .Ltd amounting to Rs Nil (P.Y Rs 421.82 lakh), guarantee given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs.2400 lakh (P.Y. 2400 lakh) & HDFC Bank Ltd RS.51.78 lakh(P.Y. 51.78 lakh) Outstanding balance of loan there against for the year ended 31st March, 2019 from SBI is Rs.1685.38 lakh (P.Y 1925.33 lakh) ,Axis Bank Ltd is Rs. Nil (P.Y 44.52 lakh) and from HDFC bank Ltd. RS Nil lakh (P.Y.5.90 lakh)
- (ii) **Disputed statutory liabilities in respect of service tax not provided for:**
- (A) In Respect of indore hotel, for the period from 01.03.05 to 31.03.09 the Hon'ble Tribunal has passed the order against the Company after giving the benefit of abatement and waiver of penalty imposed in the order passed by Learned Commissioner. Tax demand of Rs 175.01 lacs is pending as per the Tribunal's order Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay of the demand. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs.175.01 Lacs)
- (B) In Respect of indore hotel, for the period from 01.04.09 to 31.03.11 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in its prior order. Tax demand of Rs. 400.37 lacs has been raised alongwith equal amount of penalty. Company had challenged said order before Hon'ble Tribunal & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in its prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 139.97 lacs. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 400.37 Lacs)
- (C) In Respect of indore hotel for the period from 01.04.11 to 30.06.12 the Commissioner has passed the order against the Company without even

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

considering the benefit given by the Hon'ble Tribunal in their prior order. Tax demand of Rs 269.27 lacs has been raised alongwith equal amount of penalty Company had challenged said order before Hon'ble Tribunal. & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. Company has challenged said order before Honourable High Court of M.P., Indore and got interim stay. Had the benefit of abatement & waiver of penalty given the Hon'ble Tribunal in their prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 127.98 lacs. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs.269.27 lacs)

- (D) In Respect of Pune hotel for the period from 01.04.09 to 30.06.12 Commissioner has passed an order against the company and raised a tax demand of Rs.39.27 lacs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. Being aggrieved, Company has preferred an Appeal before the Honourable Tribunal, Mumbai. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 39.27 Lacs)
- (e) In Respect of Varodara hotel for the period from 01.04.12 to 31.03.2015 Commissioner has passed an order against the company and raised a tax demand of Rs.2.02 lacs. Company had filed an appeal before Commissioner (Appeal), which is decided against company. Being aggrieved, Company has challenged said order before Hon'ble Tribunal and hearing is awaited. Interest liability will also arise in case of unfavorable decision. (PY 39.27)
- (E) In Respect of Varodara hotel for the period from 01.04.12 to 31.03.2015 Commissioner has passed an order against the company and raised a tax demand of Rs. 2.02 lacs. Company had filed an appeal before Commissioner (Appeal), which is decided against company. Being aggrieved, Company has challenged said order before Hon'ble Tribunal and hearing is awaited. Interest liability will also arise in case of unfavorable decision.
- (F) In Respect of Varodara hotel for the period from 01.04.15 to 30.06.2017 Commissioner has passed an order against the company and raised a tax demand of Rs. 1.96 lacs. Being aggrieved, Company will challenge said order before Commissioner (Appeal) Baroda. Interest liability will also arise in case of unfavorable decision.
- (G) In Respect of Indore hotel, for the period from 01.04.10 to 31.03.15 the Commissioner has passed the order against the Company and raised a tax demand of Rs. 46.05 lacs, company had filed an appeal before order against the Company and raised a tax demand of Rs.46.05 lacs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. Being aggrieved, Company has preferred an Appeal before the Honourable Tribunal, Interest liability will also arise in case of unfavourable decision.
- (iii) Custom duties saved against imports under EPCG scheme is Rs. 229.72 lacs (P.Y Rs 429.39 lacs)
- (iv) Disputed liability of Rs 4.51 lacs (P.Y. 2.14 lacs) not provided for in respect of Income Tax TDS (AY 2009-10,2010-11,2011-12 and 2012-13)
- (v) Disputed liability of Rs 1.09 lacs not provided for in respect of Income Tax (AY 2014-15) the matters are pending before CIT (Appeal) - Varodara and amount paid there against.
- (vi) Disputed liability of Rs 108.72 lacs not provided for in respect of Commercial tax (FY 2013-14 & 2014-15, 2015-16). The matters are pending before Commissioner -Appeal Commercial tax, Indore. (P.Y. Rs. 143.27 Lacs)
- (vii) Disputed liability of Rs 81.76 lacs not provided for in respect of Commercial tax (FY2010-11, 2011-12 & 12-13). The matter is pending before Appelate Tribunal- Commercial tax, Indore. (P.Y. Rs. 11.47 Lacs)
- (viii) Disputed liability of Rs 10.91 lacs not provided for in respect of Commercial tax demand of FY 2011-12.
- (ix) Disputed liability of Rs. 55.12 lakhs not provided for in respect of Property Tax demand (FY 2015-16, 2016-17 & 2017-18). Company has challenged the same before Mayor-In-Council Indore Municipal Corporation, Indore. (P.Y. Rs. 46.39 lakhs).
- (x) Arrears of Cumulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 479.70 lakh (P.Y. Rs. 359.14).
- (xi) In respect of the leasehold land of Indore hotel, Company has received the order on 20th Dec. 2017 for cancellation of lease passed by Indore Development Authority. Company has challenged said order before single bench of Indore High Court and the single bench has decided the matter against the company. Being aggrieved by the said order of single bench of High Court, Company has challenged said order before the Division Bench of Indore High Court. Next date of hearing is 28th June 2019. Indore Development Authority has also filed an application before the Competent Authority under The Public Premises (Eviction) Act for eviction of the Company from said premises. High Court has granted stay on the passing of any order under the said eviction proceedings. Next date of hearing in eviction matter is 01.06.2019
- (xii) Joint District Registrar of Stamps, Pune has passed order against the company and demanded payment of stamp duty of 30 lakhs and fine of 2.40 lakhs by alleging that company has paid short stamp duty under the Maharashtra Stamp Act, 1958 for declaration of equitable mortgage under the said Act. Company has challenged said order before Inspector General of Registration, Chief Controlling Revenue Authority, Pune. Hearing is awaited in said matter.
- (xiii) Disputed liability of Rs. 1.29 lakhs not provided for in respect of cases filed in labour court. (P.Y. Rs. 1.29 lakhs)
- (xiv) Disputed liability of Rs. 16.10 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Indore. (P.Y. Nil)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(xv) The company has received a show cause notice for Imposing penalty u/s 23E SCRA, 1956 from SEBI and the matter is pending for adjudication with Adjudicating authority SEBI.

### II Commitments

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil lacs)

#### Subsidiary Company

Aries Hotels Pvt Ltd

### I Contingent Liability

Contingent liabilities not provided for a disputed liability of Rs 32.23 lakhs not provided for in respect of income Tax. The matter is pending before CIT, Baroda. (P.Y. Rs. 32.23 Lakhs)

#### Note 48 : Disclosure as per Ind AS-105, Non Current Assets held for sale and Discontinued Operations

"In the Board meeting dated 14.02.2019, the directors of Sayaji Hotels Limited decided to sell investment in Aries Hotels and the sale is expected to be completed before the end of July 2019.

Investment classified as held for sale during the reporting period has been measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of Rs 52.18 lakhs as impairment loss in the statement of profit and loss"

#### Note 49 : Disclosure as per Ind AS-108, Operating Segment

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segment' (Ind AS-108) notified by the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

#### Information about major customers

No single customer contributes more than 10% or more of the Company's total revenue for the years ended March 31, 2019 and March 31, 2018.

#### Note 50 : Earning in Foreign Currency :

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Earning in Foreign Currency</b>		
- Sale of Rooms of Food Beverages	1,166.75	779.36
<b>CIF Value of Imports &amp; Expenditure (on accrual basis)</b>		
- Import Value of Capital Goods	-	-
- Import Value of Non-Capital Goods	45.30	40.96

#### Note 51 : Disclosure as per Ind AS-107, Financial Instruments

##### A) Financial Risk Management

The Company's principal financial liabilities comprise Borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade & other receivables, loan given, cash & cash Equivalent, Investment, deposits and derivative that derive directly from its operations.

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board.

#### Company is exposed to following risk from the use of its financial instrument :

- Credit Risk
- Liquidity Risk
- Market Risk

#### 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 resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Trade Receivable**

"Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 45 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low. The requirement of impairment is analysed as each reporting date."

**Other Financial Instruments and Cash & Cash Equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31st, 2019 & March 31st, 2018 is the carrying amount as disclosed in Note except for financial guarantees. The Company's maximum exposure for financial guarantee is given in Note 46.

**(i) Carrying amount of maximum credit risk as on reporting date**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)</b>		
Non-current Investment	0.21	110.92
Non-current Loans	773.54	1,016.62
Other Non-Current Financial Assets	100.53	98.60
Cash & Cash Equivalent	531.28	1,359.42
Bank balances other than cash and cash equivalents	17.59	3.52
Current Loans	628.40	301.48
Other Current Financial Assets	313.24	205.73
<b>Total</b>	<b>2,364.80</b>	<b>3,096.28</b>
<b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)</b>		
Investment in Associates	8,340.43	8,779.27
Trade Receivables	1,035.55	984.51
<b>Total</b>	<b>9,375.98</b>	<b>9,763.78</b>

**(ii) Ageing of trade receivables**

The Ageing of trade receivables is as below :

(Rs. In Lakhs)

Ageing	Not Due	0-180 days past due	181-365 days past due	1-2 years past due	2-5 years past due	Total
Gross Carrying amount as on 31.03.2019	493.66	459.15	64.60	16.84	38.27	1,072.52
Impairment loss recognised on above	-	-	-	-	36.97	36.97
Gross Carrying amount as on 31.03.2018	267.68	609.83	60.77	20.35	58.10	1,016.73
Impairment loss recognised on above	-	-	-	-	32.22	32.22

**(iii) Provision for Expected Credit or Loss**

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses.**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

**(iv) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(Rs. In Lakhs)

Particulars	Trade Receivables	Advances	Loans and advances	Total
<b>Balance as at April 1, 2017</b>	-	1.72	51.45	53.17
Impairment loss recognised	32.45	-	-	32.45
Amounts written off	0.02	-	-	0.02
<b>Balance as at March 31, 2018</b>	32.43	1.72	51.45	85.60
Impairment loss recognised	4.75	-	-	4.75
Amounts written off	-	-	51.45	51.45
<b>Balance as at March 31, 2019</b>	37.18	1.72	-	38.90

**Liquidity Risk**

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

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

(Rs. In Lakhs)

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
Year ended March 31st, 2019						
Term Loans*	-	1,990.58	1,828.42	3,526.70	635.85	7,981.55
Trade Payables	1,293.46	-	-	-	-	1,293.46
Cash credit	563.13	-	-	-	-	563.13
Other Pyables	-	1,848.29	-	2,000.00	2,013.59	5,861.88
Finance Lease Payable	-	1.95	1.95	5.86	10.74	20.50
Other Financial Liabilities#	-	98.00	-	-	-	98.00
<b>Total</b>	<b>1,856.59</b>	<b>3,938.82</b>	<b>1,830.37</b>	<b>5,532.56</b>	<b>2,660.18</b>	<b>15,818.52</b>

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2018</b>						
Term Loans*	-	1,895.24	1,823.00	4,690.18	893.92	9,302.34
Trade Payables	1,176.48	71.08	-	-	-	1,247.56
Cash credit	258.14	-	-	-	-	258.14
Other Pyables	22.00	1,154.10	400.00	2,000.00	1,797.85	5,373.95
Finance Lease Payable	-	1.95	1.95	5.86	10.23	19.99
Other Financial Liabilities#	13.73	183.08	-	-	-	196.81
<b>Total</b>	<b>1,470.35</b>	<b>3,305.45</b>	<b>2,224.95</b>	<b>6,696.04</b>	<b>2,702.00</b>	<b>16,398.79</b>

\*Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

# Current maturities of long-term borrowings is included in interest bearing borrowing part in above note.

Overdraft or other on demand loan facility, if any available with the Company is disclosed, to the extent undrawn in note no. 41.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The company uses forward contracts to hedge its exposure from foreign currency fluctuations.

The currency profile of financial assets and financial liabilities are as below:

(Rs. In Lakhs)

Particulars	31st March, 2019	
<b>Financial Liabilities</b>		<b>31st March, 2018</b>
Borrowings	2,673.47	3,840.64
Derivative Liability	46.59	20.91

**Foreign Currency Risk**

Particulars	Impact on profit after tax for the year ended	
	31st March 2019	31st March 2018
<b>Decrease in rate by 1%</b>		
Increase in profit	27.20	38.62
<b>Increase in rate by 1%</b>		
Decrease in profit	27.20	38.62

**Interest Risk**

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
<b>Financial Assets</b>		
<b>Fixed Rate</b>		
Loans	-	0.86
Security Deposit	773.54	637.61
Bank Deposit	118.12	102.12
<b>Total</b>	<b>891.66</b>	<b>740.59</b>
<b>Financial Liabilities</b>		
<b>Fixed Rate</b>		
Working capital loans	563.13	258.14
Unsecured Loans	3,861.88	3,351.95
<b>Sub-Total (i)</b>	<b>4,425.01</b>	<b>3,610.09</b>
<b>Variable Rate Instruments</b>		
Term Loans	7,981.55	9,302.34
<b>Sub-Total (ii)</b>	<b>7,981.55</b>	<b>9,302.34</b>
<b>Total (i) + (ii)</b>	<b>12,406.56</b>	<b>12,912.43</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. In Lakhs)

Particulars	Effect of Profit or Loss	
	50 bp increase	50 bp decrease
<b>31st March 2019</b>		
Financial Liabilities	(3.99)	3.99
	<b>(3.99)</b>	<b>3.99</b>
<b>31st March 2018</b>		
Financial Liabilities	(4.65)	4.65
	<b>(4.65)</b>	<b>4.65</b>

**Note 52 : Capital Risk Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Gross Debt	12,406.56	12,912.43
Less : Cash and cash equivalents	531.28	1,359.42
Net Debt (A)	11,875.28	11,553.01
Total Equity (B)	14,344.12	14,802.90
<b>Gearing Ratio (A/B)</b>	<b>0.83</b>	<b>0.78</b>

(Rs. In Lakhs)

Particulars	As At March 31, 2019		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.21	-	-
Loans	-	-	1,401.94
Trade Receivables	-	-	1,035.55
Cash and Cash Equivalents	-	-	531.28
Other Bank Balance	-	-	17.59
Other financial assets	-	-	413.77
<b>Total Financial Assets</b>	<b>0.21</b>	<b>-</b>	<b>3,400.13</b>
<b>Financial Liability:</b>			
Borrowings	-	-	10,415.98
Derivative Liability	46.59	-	-
Trade Payable	-	-	1,293.46
Other Financial Liabilities	-	-	4,171.67
<b>Total Financial Liability</b>	<b>46.59</b>	<b>-</b>	<b>15,881.11</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. In Lakhs)

Particulars	As At 31st March, 2018		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	110.92	-	-
Loans	-	-	1,206.93
Trade Receivables	-	-	984.51
Cash and Cash Equivalents	-	-	1,359.42
Other Bank Balance	-	-	3.52
Other financial assets	-	-	417.76
<b>Total Financial Assets</b>	<b>110.92</b>	<b>-</b>	<b>3,972.14</b>
<b>Financial Liability:</b>			
Borrowings	-	-	11,793.01
Derivative Liability	20.91	-	-
Trade Payable	-	-	1,247.56
Other Financial Liabilities	-	-	3,403.75
<b>Total Financial Liability</b>	<b>20.91</b>	<b>-</b>	<b>16,444.32</b>

**Note 53 : Disclosure as per Ind AS-113, Fair Value Measurement**

**Fair Value Hierarchy**

"This section explains the judgements and estimates made in determining the fair values of the financial instruments that are : (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:"

**As at 31st March 2019**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.21	0.21
-Non Current Asset held for sale	-	-	574.76	574.76
<b>Financial Liabilities</b>				
Derivatives	-	46.59	-	46.59
<b>Total</b>	<b>-</b>	<b>46.59</b>	<b>574.97</b>	<b>621.56</b>

**As at 31st March 2018**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	110.92	110.92
<b>Financial Liabilities</b>				
Derivatives	-	20.91	-	20.91
<b>Total</b>	<b>-</b>	<b>20.91</b>	<b>110.92</b>	<b>131.83</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**(A) Specific valuation technique is used to determine the fair value of the financial instruments which include:**

- i) For Investments in Equity Investments- Quoted Market prices are used and for unquoted Equity Instruments best possible inputs are taken to identify the fair value.
- ii) For financial liabilities (vendor liabilities, domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.
- iii) For financial assets (employee loans) : appropriate market rate of the entity as of each balance sheet date used.

**(B) The financial instruments are categorized into different levels based on the inputs used to arrive at fair value measurements as described below:**

<b>Level 1</b>	Includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at there porting period. The mutual funds are valued using the closing NAV.
<b>Level 2</b>	Includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
<b>Level 3</b>	If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

**(C) Inter level transfers:**

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

**(D) Fair value of financial assets and liabilities measured at amortised cost**

(Rs. In Lakhs)

Particulars	As at 31 March 2019		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	1,035.55	1,035.55
Cash and Cash Equivalents	3	531.28	531.28
Bank balances other than cash and cash equivalents	3	17.59	17.59
Loan	3	628.40	628.40
Security deposit	3	773.54	773.54
Other Financial Assets	3	413.77	413.77
<b>Financial Liabilities</b>			
Borrowings	3	10,415.98	10,415.98
Trade Payables	3	1,293.46	1,293.46
Other Financial Liabilities	3	4,171.67	4,171.67

**SAYAJI HOTELS LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENT**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. In Lakhs)

Particulars	As at 31 March 2018		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	984.51	984.51
Cash and Cash Equivalents	3	1,359.42	1,359.42
Bank balances other than cash and cash equivalents	3	3.52	3.52
Loan	3	1,206.93	1,206.93
Security deposit	3	523.92	523.92
Other Financial Assets	3	397.79	397.79
<b>Financial Liabilities</b>			
Borrowings	3	11,793.01	11,793.01
Trade Payables	3	1,247.56	1,247.56
Other Financial Liabilities	3	3,403.75	3,403.75

**Note 54 : Ind AS 112: Disclosure of Interest In other Entities**

**(a) Subsidiaries**

The group's subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Principal Place of Business	Ownership Interest Held by the group		Ownership Interest Held by non- controlling Interest	
		31-03-19	31-03-18	31-03-19	31-03-18
Malwa Hospitality Private Limited	India	51.67%	51.67%	48.33%	48.33%
Sayaji Housekeeping Services Limited#	India	100%	100%	-	-
Aries Hotels Private Limited*	India	52.37%	52.37%	47.63%	47.63%
Sayaji Hotels(Vadodara) Limited	India	100.00%	-	-	-
Sayaji Hotels Management limited	India	100.00%	-	-	-
Sayaji Hotels(Pune) Limited	India	100.00%	-	-	-

\*Investment held for sale

**# Preference share capital**

Sayaji Housekeeping Services Limited	India	100%	100%	-	-
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**# Preference share capital**

\* The share Capital of Sayaji Housekeeping Services consists of Preference shares of Rs. 1 lakh having shares 10,000

**(b) Interest In Associate- Accounted For using Equity Method**

Name of Entity	Principal Place of Business	Ownership Interest Held by the group		Ownership Interest Held by non- controlling Interest	
		31-03-19	31-03-18	31-03-19	31-03-18
Barbeque-Nation Hospitality Ltd.	India	45.10%	45.73%	54.90%	54.27%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Summarised Financial Information**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balance sheet Items</b>		
Current assets	6,251.60	9,154.90
Non-Current assets	39,344.90	32,948.70
Current Liabilities	14,301.80	13,310.20
Non-Current Liabilities	12,337.50	9,379.10
Cash and Cash Equivalents	1,197.70	4,362.20
Current Financial Liabilities (Excluding trade and other payables and provisions)	4,516.30	4,256.60
Non-Current Financial Liabilities(Excluding trade and other payables and provisions)	1,130.32	8,543.50

**Profit and Loss Items**

	As at 31st March, 2019	As at 31st March, 2018
Revenue	74,128.30	60,180.70
Profit or Loss from continuing operations	(1,073.30)	1,484.10
Profit or Loss from discontinued operations	(1,890.00)	(1,130.70)
Other Comprehensive Income	(229.60)	(70.70)
Total comprehensive Income	(3,192.90)	282.70
Depreciation and amortisation	4,367.30	3,515.20
Interest Income	179.90	161.70
Interest Expense	1,016.50	1,189.80
Income Tax expense or income	1,830.60	1,493.60
Dividend Income	126.21	126.21

**Schedule III to the Companies Act, 2013**

Particular	Net Assets, i.e., Total Assets minus total Liabilities as at		Share in Profit or Loss for the Year Ended		Share in Other Comprehensive Income for the Year Ended	
	As a % of consolidated Net assets	Amount (Rs in lakhs)	As a % of consolidated profit or loss	Amount (Rs in lakhs)	As a % of consolidated other comprehensive income	Amount (Rs in lakhs)
Malwa Hospitality Private Limited						
31-03-19	2.84%	406.70	5.78%	(76.80)	-2.24%	1.83
31-03-18	3.25%	481.67	-8.83%	34.36	-8.70%	(4.88)
Sayaji Housekeeping Services Limited						
31-03-19	7.12%	1,021.31	-11.51%	152.97	0.00%	-
31-03-18	5.87%	868.34	-35.08%	136.52	0.00%	-
Aries Hotels Private Limited						
31-03-19	4.12%	591.60	-7.60%	100.95	0.00%	-
31-03-18	8.05%	1,191.54	0.65%	-2.54	0.00%	-
Barbeque-Nation Hospitality Ltd.						
31-03-19	59.60%	8,549.70	92.81%	(1,232.90)	126.76%	(103.55)
31-03-18	59.98%	8,878.16	-41.53%	161.61	-5.76%	(3.23)
Sayaji Hotels(Vadodara) Limited						
31-03-19	0.03%	4.86	0.01%	(0.14)	0.00%	-
Sayaji Hotels Management limited						
31-03-19	0.00%	0.08	0.37%	(4.92)	0.00%	-
Sayaji Hotels(Pune) Limited						
31-03-19	0.03%	4.55	0.03%	(0.45)	0.00%	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**Note 55 : Disclosure as per Ind AS-115, Revenue from Contract with Customers**

(Rs. In Lakhs)

(i)	Revenue from contract with customers	For the period 2018-2019	For the period 2017-2018
	Rooms	9,239.81	7,911.32
	Food and Beverages	13,151.09	11,969.24
	Other Services	2,050.19	1,701.41

**(ii) Disaggregation of revenue :-**

Revenue is also disaggregated on basis of timing of revenue recognition i.e. At a point in time & over the period of time.

(Rs. In Lakhs)

Particular	At a point in time		Over the period of time.	
	For the period 2018-2019	For the period 2017-2018	For the period 2018-2019	For the period 2017-2018
Rooms	9,239.81	7,911.32	-	-
Food and Beverages	13,151.09	11,969.25	-	-
Other Services	2,050.19	1,701.41	-	-

**Note 56 :** The Company has reclassified previous year figures to conform to this year classification.

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Himanshu Sharma**  
Partner  
M.No. 402560  
Indore, 30<sup>th</sup> May 2019

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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*Neelesh Gupta & Co.*

COMPANY SECRETARIES

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Sayaji Hotels Limited  
F1 C2 Sivavel Apartment 2 Alagappa Nagar,  
Zamin Pallavaram  
Chennai TN 600117 IN

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sayaji Hotels Limited** having CIN-L51100TN1982PLC124332 and having registered office at **F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram, Chennai TN- 600117 IN** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr No.	Name of Director	DIN	Date of appointment in Company
1.	Eastappully Narayanan Unni	00079237	31.07.2007
2.	Raoof Razak Dhanani	00174654	31.12.2013
3.	Sughita Dhanani	00712187	06.07.2013
4.	Kayum Razak Dhanani	00987597	30.11.2012
5.	Saqib Salim Agboatwala	06611639	24.07.2015
6.	Abhay Chintaman Chaudhari	06776836	24.07.2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 03/06/2019

Place: Indore

For Neelesh Gupta  
Company Secretary

*Neelesh Gupta*  
CS Neelesh Gupta  
Proprietor  
C.P. No. 6846



111, 1st Floor, Ratanmani Complex, 7/1, New Palasia, INDORE (M.P.) 452 001

Tel.: 0731-4040060 Mobile : 98269-41425

Email : neeleshcs2004@yahoo.co.in







# SAYAJI HOTELS LIMITED

Form No. MGT-11

## Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN: L51100TN1982PLC124332**

**Name of the Company: Sayaji Hotels limited**

**Registered office : F1 C2 Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu - 600117**

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/ We being the Member(s) of \_\_\_\_\_, holding \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_

Address:

E-mail ID:

Signature \_\_\_\_\_, or failing him

3. Name: \_\_\_\_\_

Address:

E-mail ID:

Signature \_\_\_\_\_, or failing him

2. Name: \_\_\_\_\_

Address:

E-mail ID:

Signature \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 36th Annual General Meeting of members of the Company, to be held on Saturday, 28th day of September 2019 at 11.00 a.m. at the Venue situated at Flat in Block No. C-3, Door No. F1 (C3/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117 Tamil Nadu, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

### ORDINARY RESOLUTION :

1. (a) Consideration and Adoption of the standalone financial statements of the Company for the year ended on 31st March, 2019 and reports of Board of Directors and Auditors thereon.
- (b) Consideration and Adoption of Consolidated Financial Statement for the year ended on 31st March, 2019 and report on Auditors thereon.
2. Appointment of director in place of Mrs. Suchitra Dhanani (DIN- 00712187), who retires by rotation and, being eligible, seeks re-appointment.

### SPECIAL BUSINESS :

3. Appointment of Mr. Saquib Salim Agboatwala (DIN- 06611659) as the Director (Category Independent) of the Company to hold office for 5 consecutive Years from 14th February, 2019 to 13th February, 2024.
4. Selling of the Entire investment of 68,93,998 Equity Shares of Malwa Hospitality Private Limited (Subsidiary Company) to the existing directors, shareholders, promoters and relative of the directors.

Signed this ..... day of ..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix 1 Rs.  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





**Sayaji Vadodara**



**Sayaji Raipur**



**Sayaji Pune**



**Sayaji Kolhapur**



**Sayaji Bhopal**



**Sayaji Indore**



**Sayaji Rajkot**



**Effotel Vadodara**



**Effotel Indore**



**Effotel Gurugram**



**Enrise Rau**

