

03rd September, 2021

To,
Department of Corporate Services
BSE Limited
P J Towers, Dalal Street
Mumbai - 400 001.

Sub: Submission of Annual Report for the financial year 2020-21.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34(1) of SEBI (LODR) Regulations, 2015, please find enclosed herewith 38th Annual Report of the Company for the financial year 2020-21. We request you to take on record the above said report and disseminate the same on the website of stock exchange.

Thanking you,

Yours truly,

FOR SAYAJI HOTELS LIMITED


AMIT SARRAF
COMPANY SECRETARY

2020-21

38th ANNUAL REPORT

SAYAJI HOTELS LIMITED



INDEX

| STANDALONE | PAGE NO. |
|---|-----------------|
| · Notice | 01 |
| · Board's Report & Management Discussion and Analysis | 19 |
| · Business Responsibility Report | 66 |
| · Report on Corporate Governance | 77 |
| · Independent Auditor's Report | 102 |
| · Annual Accounts | 113 |
| · Cash Flow Statement | 116 |
| · Notes on Accounts | 136 |

| CONSOLIDATED | PAGE NO. |
|-------------------------------------|-----------------|
| · Independent Auditor's Report | 163 |
| · Consolidated Financial Statements | 172 |
| · Cash Flow Statement | 174 |
| · Notes on Accounts | 197 |

| | | |
|--------------------------|---|---|
| Date | : | 28 th September, 2021 |
| Day | : | Tuesday |
| Time | : | 11.00 A.M. |
| Venue | | Deemed to be at Registered Office: F1 C2 Sivavel Apartment, No.2, Alagappa Nagar, Zamin Pallavaram, Chennai-600117 Tamil Nadu |
| Book Closure Date | : | From 13 th September, 2021 to 14 th September, 2021 (both days inclusive) |

NOTICE

NOTICE is hereby given that the **38th Annual General Meeting** of the Members of **Sayaji Hotels Limited** will be held on **Tuesday the 28th Day of September, 2021 at 11.00 A.M.** through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs for which purposes the Registered Office of the Company situated at F1 C2, Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai (TN) – 600117 IN shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) The Standalone Financial Statements of the Company for the year ended on March 31, 2021, 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.
 - (b) The Consolidated Financial Statements of the Company for the year ended on March 31, 2021, 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.
2. To appoint a Director in place of **Mrs. Suchitra Dhanani (DIN- 00712187)**, who liable to retire by rotation and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), as may be amended from time to time, the appointment of **Mr. Abhay Chintaman Chaudhari (DIN 06726836)** who was appointed as an Additional Director in the category of Independent Director by the Board with effect from 23rd January, 2021, upon the recommendation and approval of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 (“Act”), and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI LODR Regulations and who is eligible for appointment, not subject to retire by rotation, be and is hereby approved by the members of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Sections 197 read with the Schedule V and (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other applicable provisions of the Companies Act, 2013 and as per provisions of the Articles of Association of the Company, the approval of members of the Company be and is hereby accorded to pay the remuneration of Mr. Raof Razak Dhanani

(DIN- 00174654), Managing Director of the Company for the remaining part of his tenure w.e.f. 13th February, 2021 as under -

Remuneration:

Salary: Rs. 12,50,000/- per month which may be provided in one or more of the following heads:

- a. Basic Salary
- b. House Rent Allowances
- c. Special allowance
- d. Leave Travel allowance
- e. CCA
- f. Annual club maintenance fees
- g. Payment of statutory contribution toward PF, ESIC as may be applicable
- h. Other allowance
- i. Conveyance allowance
- j. Gratuity

“RESOLVED FURTHER THAT in case of in absence or inadequacy of net profit in any financial year, the Company shall pay the above said remuneration by way of salary, perquisites, dearness allowance and any other allowances as calculated under the provisions of the Income Tax Act and the rules made there under and as per part II of schedule V of Companies Act, 2013 as may be decided by the Board from time to time.”

“RESOLVED FURTHER THAT the Mr. Raof Razak Dhanani, Managing Director shall not be entitled for any sitting fee for attending any meeting of the Board of Directors or a committee thereof.”

“RESOLVED FURTHER THAT the relation between the Company and Mr. Raof Razak Dhanani, Managing Director shall be deemed to be employer-employee and his services may be terminated by either side by providing 6 months’ notice or remuneration in leave thereof.”

“RESOLVED FURTHER THAT the Nomination and Remuneration Committee and the Board of directors of the Company be and is hereby authorized with liberty and powers to increase, reduce, alter or vary the terms and conditions of remuneration in such manner as the Board may deem fit within the limit specified as aforesaid from time to time during his tenure.”

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

By Order of the Board

**Amit Sarraf
Company Secretary
ACS 28573**

**Date: 30.08.2021
Place: Indore**

Notes

1. In view of the continuing restrictions on the movement of persons at several places in the country, due to outbreak COVID-19 global pandemic, the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated 13th January, 2021 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. In accordance with the said circular the forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020 and Circular No. 02/2021 dated January 13, 2021, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form is not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sayajihotels.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated

April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI).

8. 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.
9. 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. Also it shall be available for inspection through electronic mode, basis the request being sent on cs@sayajigroup.com.
10. The Company has decided for closure of Register of Members and Share Transfer Books from 13th September, 2021 to 14th September, 2021 (both days inclusive).
11. (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.
12. 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.
13. 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.
14. 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
15. As per the provisions of the Companies Act, 2013, facility for making nominations is 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.
16. Pursuant to the provisions of section 124(5) and 125 of the Companies Act, 2013, the Company is not having any amount or resulting shares which are 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.
17. 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, if not submitted earlier. 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. if not submitted earlier.

18. Pursuant to the requirement of Regulation 36(3) 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 as Annexure 1.
19. 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.
20. 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.
21. The annual report and other communications/documents sent electronically would also be displayed on the Company's website: <https://www.sayajihotels.com/investors/>. 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.
22. 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.
23. The Preference Shareholders (for 10,00,000 Preference Shares of Rs. 100/- each) also become eligible to exercise their 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 due to the non-availability of the sufficient profits. 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 the one Preference Share is Rs. 100/- therefore each vote of the Preference Shareholders for 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 for the interest of the equity shareholders/ Company.
24. Since the AGM will be held through VC in accordance with the Circulars, the route map is not attached to this Notice.
25. In line with the MCA Circular No. 17/2020 dated 13th , April, 2020 and Circular No. 02/2021 dated January 13, 2021, Notice of the AGM along with the Annual Report for FY 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.
26. As per Regulation 40 of SEBI LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agent, M/s Link Intime India Private Limited at darshana.manek@linkintime.co.in

27. 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 member's facility to exercise their right to vote at the 38th 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, 2021 at 09.00 a.m. (IST) and ends on 27th September, 2021 at 05.00 p.m. (IST). 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, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date may also attend/ participate in the AGM through VC/OAVM but would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information |

| | |
|---|--|
| | <p>provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |

Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

Any person who becomes a Member of the Company after dispatch of the Notice of the meeting and holding shares as on the **cut-off date i.e. September 21, 2021** may obtain the login details in the manner as mentioned below.

Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|---|
| PAN | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | 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. <ul style="list-style-type: none"> 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. |

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant Company Name i.e. *Sayaji Hotels Ltd.* on which you choose to vote.
- (ix) 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.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the 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.
- (xv) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sayajigroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 (three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA** email id.
2. **For Demat shareholders -**, Please update your email id & mobile no. with your respective Depository Participant (DP).
3. **For Individual Demat shareholders –** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

III. 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 21.09.2021.

IV. Mr. Neelesh Gupta proprietor of M/s Neelesh Gupta and 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 two 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 and on the website of CDSL and communicated to the BSE Limited.

ANNEXURE 1

INFORMATION REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT/RE-APPOINTMENT PURSUANT TO REGULATION-36(3) OF SEBI (LODR) REGULATIONS, 2015

| S. No. | Particulars | | |
|---------------|--|---|--|
| 1. | Brief resume of the directors | | |
| | Name of Director | Mrs. Suchitra Dhanani | Mr. Abhay Chintaman Chaudhari |
| | Designation | Whole-Time Director | Non-Executive Independent Director |
| | Age | 56 Years | 65 Years |
| | Qualification | Bachelor's degree in Home science and qualified as Master in Social Works. | Master in Science, Diploma in Business Management |
| | Date of appointment | 06.02.2014 | 23.01.2021 |
| 2. | Nature of expertise in specific functional areas | She is having an experience of over 25 years in Hotel Management and Administration. | He has more than 35 years' experience of the Banking Industry and more than 4 years' experience in Hotel Industry. |
| 3. | Disclosure of relationships between directors inter-se. | Mrs. Suchitra Dhanani is relative of Mr. Raouf Razak Dhanani, Managing Director of the Company. | None |
| 4. | Shareholding of directors in the Company including shareholding as a beneficial owner, if any. | 2,36,029 equity shares (1.35%) and 125000 Preference Shares of Rs. 100/- each (12.50%) | - |
| 5. | Names of listed entities in which the person also holds the directorship | Promoter Director in Barbeque-Nation Hospitality Limited | Independent Director in Barbeque-Nation Hospitality Limited |
| 6. | Chairmanships/Memberships of the Committees of other Listed companies as on March 31, 2021 | | |
| | Membership/Chairmanship into the Barbeque-Nation Hospitalities Ltd. | | |
| | Audit Committee | - | Member |
| | Nomination and Remuneration Committee | - | Chairman |
| | Stakeholder Relationship Committee | - | Member |
| | Corporate Social Responsibility Committee | Member | Member |

| | | | |
|----|---|---|--|
| 7. | Name of listed entities from which the director has resigned in the past three years | - | - |
| 8. | The skills and capabilities required for the Role of independent director and the manner in which the proposed person meets such requirements | - | <p>Independent director should preferably possess appropriate skills, experience and knowledge in one or more domains of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines that are related to the company's business.</p> <p>Mr. Abhay Chintaman Chaudhari has done masters in Science as well as a Diploma Holder of Business Management. He had worked as Chief General Manager in State Bank of India, he was also deputed to SBI Capital Markets Ltd. (Investment Banking Subsidiary of SBI) as President & Chief Operations Officer. He has worked as ex officio board member in the many wholly owned subsidiaries of SBICAPS.</p> <p>Thus, he meets the requirement for getting appointed as an Independent Director in the Company.</p> |

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

Date: 30.08.2021
Place: Indore

By Order of the Board

Amit Sarraf
Company Secretary
ACS 28573

ANNEXURE 2

(EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS)

Item No. 3:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Abhay Chintaman Chaudhari (DIN 06726836) as an Additional (Independent) Directors on the Board of the Company.

Mr. Chaudhari is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Chaudhari that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 25(8) of the SEBI LODR Regulations. In the opinion of the Board, Mr. Chaudhari, fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations.

He is neither related to any director or KMPs of the company nor has any shareholding in the Company. Further, he is not debarred from holding office of Director by virtue of SEBI or any such authority. He is independent of the management and possesses appropriate skills, experience and knowledge.

Mr. Abhay Chintaman Chaudhari may be deemed to be concerned or interested in the resolution to the extent of the sitting fee as may be received by him, except that none of the Directors or key managerial personnel of the Company except or their relatives are directly or indirectly concerned or interested, financially or otherwise, in this resolution.

In light of the above, your directors recommend to pass necessary resolution as set out in Item No. 3 of the notice as a Special Resolution.

Item No. 4:

In accordance with the provisions of Section 197 read with Schedule V of the Act, to pay remuneration, in excess of the limit specified, requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 13th February, 2021, approved the payment of remuneration of Rs. 12,50,000/- per month (inclusive of perquisites and allowances) to Mr. Raof Razak Dhanani (DIN 00174654), Managing Director of the Company for the remaining part of his tenure, subject to the approval of the shareholders through special resolution in the General Meeting of the Company.

Mr. Raof Dhanani is the Promoter and Managing Director of the Company. He has vast experience of the fertilizers industry for over 28 years and of hotel industry for more than 8 years. He is effectively taking care of all the business and financial responsibilities; however, since his appointment till January 2021, he has not taken any remuneration except a minimal amount for F. Y. 2018-19, which is not adequate enough looking to the time and efforts given by him. Based on his vast experience and efforts, the Board of Directors considered it to be desirable to revise remuneration payable to him for his current tenure of appointment as Managing Director. The payment of remuneration was approved by the Board based on industry standards; responsibilities handled by the Managing Director of the Company.

The information to be given pursuant to the requirement of sub clause (iv) of the section II of the part II of the Schedule V of the Companies Act, 2013 are as under –

| I. General Information | | |
|---|---|--|
| 1. | Nature of Industry | Hospitality Industry |
| 2. | Date of expected date of commencement of commercial production | Not applicable |
| 3. | In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus | Not applicable |
| 4. | Financial performance based on given indicators | Financial Performance for F.Y. 2020-21: 1. Gross Revenue: Rs. 8299.04 Lakhs 2. Profit after Tax: Rs. (2,173.95) Lakhs 3. EPS: (13.10) |
| 5. | Foreign investments or collaborators, if any | None |
| II. Information about the appointee: | | |
| 1. | Background Details | Mr. Raof Razak Dhannai aged 57 years carries a vast experience of the fertilizers industry for over 28 years and of Hotel industry for more than 8 years. He is a promoter of the Company and joined as a director on 14.11.2013 and continuously functioning as Managing Director of the Company since 05.11.2015. He is also looking after the Company and its other group concern since 2013. The Company is expanding tremendously under his guidance. |
| 2. | Past Remuneration | We have taken approval of Board and Nomination and Remuneration Committee for providing him a remuneration of Rs. 2,00,000/- per month including all perquisites and allowances but no remuneration was taken by him since his appointment till January 2021 except a minimal amount of Rs. 80,583/- per month for financial year 2018-19. |
| 3. | Recognition or awards | None |
| 4. | Job profile and his suitability | Mr. Dhanani develop and prepare company's business strategies and comprehensive business plans along with other board members and works for their execution. His focus is dedicated towards the business of the Company and supervise the general conduct and management of the affairs of the Company. He analyzes problematic situations and occurrences and provide solutions to ensure company survival and growth. Mr. Dhanani has been part of the group for the last 8 years and have led successful growth of the business. |

| | | |
|--------------------------------|---|---|
| 5. | Remuneration Proposed | Rs.12,50,000 per month including all perquisites and allowances. Further details of proposed remuneration are presented in the resolution. |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin) | Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses. |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any. | Besides the remuneration proposed for being Managing director in the Company, Mr. Dhannai is also promoter of the Company and holds 15,27,630 (8.72%) equity shares of Rs. 10/- each. Mr. Dhanani is also relative of Mr. Suchitra Dhanani, Whole time director of the Company which may be deemed as interested in the above said resolution. |
| III. Other information: | | |
| 1. | Reasons of loss or inadequate profits | The Company has shown a gradual and consistent increase in revenue and profits till the financial year 2020. The profitability declined in the following year due to decrease in sales volume on account of the prevailing uncertain economic environment conditions aroused in the wake of Covid-19 pandemic. The Hospitality industry is facing huge challenges due to pandemic resulting in full closure of hotel units and restaurants of the Company. This resulting in reduced RevPAR, increase in operating and net losses, increase in working capital, liquidity constraints etc. This challenging environment resulted in a significant reduction in business for the Company thereby impacting its profitability. |
| 2. | Steps taken or proposed to be taken for improvement | The Company has been taking various steps to reduce costs and improve efficiencies to make its operations more profitable. During these challenging times, the Company is focusing on exercising better control over fixed cost. |
| 3. | Expected increase in productivity and profits in measurable terms | Since August 2020, the sales of the Company have improved month on month but due to second wave of pandemic covid-19 it is expected that the Company may bounce back to its pre-Covid levels possibly in the later part of the financial year 2021-22, as vaccine rollouts gain traction. Market dynamic is changing fast and presenting with newer opportunities, requiring Hotel Companies to be swift enough to respond and tap them. |

| | | |
|--|--|--|
| | | There is a greater need for the Company today to be quick enough to respond to the changing market dynamics. We are continually working to adapt changing market and to improve our services to deliver the Greatest Value to our customers. |
|--|--|--|

The terms of remuneration, as set out in the resolution no. 4 are considered to be just, fair and reasonable by the Nomination and Remuneration Committee and are in accordance with the remuneration policy of the Company as well as in the industry.

Mr. Raof Dhanani and his relatives shall be deemed to be concerned or financial interested in the resolution to the extent of remuneration payable to him as stated in the resolution. Further that and Mrs. Suchitra Dhanani, the Whole-time Director being his relative may be deemed to be concerned or interested otherwise. Except them, none of the Directors or key managerial personnel of the Company or their relatives are directly or indirectly concerned or interested, financially or otherwise, in this resolution.

In light of the above, your directors recommend to pass necessary resolution as set out in Item No. 4 of the notice as a Special Resolution.

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

By Order of the Board

Amit Sarraf
Company Secretary
ACS 28573

Date: 30.08.2021
Place: Indore

DIRECTOR'S REPORT

**TO
DEAR MEMBERS
SAYAJI HOTELS LIMITED**

The Board of Directors of your Company, with extensive gratification presenting the 38th Annual Report of your Company along with the Audited Balance Sheet, Statement of Profit and Loss, Statement of changes in equity and Cash Flow Statement (Standalone and Consolidated), Schedules and Notes to Accounts and the Auditors Report thereon for the year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

The financial performance on the basis of Standalone & Consolidated Financial Statements for the year ended March 31, 2021 is summarized as below:

| Particulars | Standalone (Rs. In Lakhs) | | Consolidated (Rs. In Lakhs) | |
|--|--|---|--|---|
| | Current Financial Year 31.03.2021 | Previous Financial Year 31.03.2020 | Current Financial Year 31.03.2021 | Previous Financial Year 31.03.2020 |
| Revenue from Operations | 7517.18 | 20969.43 | 8210.62 | 24006.46 |
| Other Income | 781.86 | 329.83 | 1884.42 | 434.96 |
| Profit/(loss) before Depreciation, Finance, costs, Exceptional items and tax expense | 1945.29 | 5156.97 | 3194.69 | 6219.73 |
| Less: Depreciation/Amortization/Impairment | 2607.58 | 2880.51 | 2981.13 | 3419.94 |
| Profit/(Loss) before Finance cost, Exceptional items and Tax Expense | (662.29) | 2276.46 | 213.56 | 2799.79 |
| Less: Finance Costs | 2006.40 | 2183.74 | 2719.66 | 2973.75 |
| Profit/(loss) before Exceptional items and Tax Expense | (2668.69) | 92.72 | (2506.10) | (173.96) |
| Add/(less): Exceptional items | - | (469.40) | - | (469.40) |
| Profit /(Loss) before Tax Expense and Share of Profit/(Loss) of the Associates | (2668.69) | (376.68) | (2506.10) | (643.36) |
| Share of Profit/(Loss) of the Associates | - | - | (3363.76) | (1460.51) |
| Profit /(Loss) before Tax Expense | (2668.69) | (376.68) | (5869.86) | (2103.87) |
| Less: Tax Expense - Current & Deferred | 494.74 | 197.12 | (614.86) | (189.26) |
| Profit/ (loss) for the year (1) | (2173.95) | (179.56) | (5255.00) | (1914.61) |
| Total Comprehensive Income/(loss)(2) | 103.87 | 4.22 | 138.54 | (32.02) |
| Total (1+2) | (2070.08) | (175.34) | (5116.46) | (1946.63) |

DIVIDEND

Being in Hospitality industry, Covid-19 pandemic has adversely affected the operation and liquidity of the Company. Hence, in order to conserve cash and ensure liquidity for the operations in the coming years your Directors do not propose any dividend on the shares of the Company for the Financial Year ended on March 31, 2021.

TRANSFER TO RESERVES

During the year under review, the Company has proposed to carry an amount of Rs. (2173.95) under the head reserves and surplus in the financial statements. [Previous year Rs. (179.56 Lakhs)]

CAPITAL STRUCTURE

• Authorized Share Capital

The authorized share capital of the Company is Rs. 40,00,00,000 divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- each and 10,00,000 (Ten Lakhs) Preference shares of Rs. 100/- each.

• Paid Up Share Capital

The Paid-up equity share capital is Rs. 17,51,80,000 divided into 1,75,18,000 Equity shares of 10/- each and the Preference share capital is Rs. 10,00,00,000 divided into 10,00,000 Preference shares of Rs. 100/- each total Rs 27,51,80,000.

During the year under review, the Company has not issued shares with differential voting right neither granted stock option nor sweat equity. Further the Company not issued any debenture bonds and any non-convertible securities.

The Company's equity shares are listed with the BSE Ltd. and available for trading at the platform of BSE Ltd.

DEPOSITS

During the year, your Company did not accept any public deposits as provided under Chapter V of the Companies Act, 2013 ("Act") read with the rules made thereunder as such and no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

LOAN FROM DIRECTORS

During the year under review the Company has received unsecured loans from director of the Company which is in compliance of Rule 2(C) (viii) of the Companies (Acceptance of Deposit) Rules, 2014 and the said transaction is exempted from the deposit Rules as such.

REVISION IN FINANCIAL STATEMENTS OR BOARDS' REPORT UNDER SECTION 131 (1) OF THE COMPANIES ACT, 2013

In terms of Section 131 of the Act, the Financial Statements and Board's Report are in compliance with the provisions of Section 129 or Section 134 of the Act and that no revision has been made during any of the three preceding financial years.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Provisions of Section 186 of the Act for loans given, investments made or guarantees or security provided is not applicable on your Company, being in exempt list for providing infrastructural facilities in terms of Schedule VI of the Act.

However, the Company has disclosed the full particulars of the details required under section 186 of the Act and Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations, 2015**”) in Notes to the financial statements attached with this Annual Report.

UPGRADATION AND ADDITIONS:

During the year under review, the Company has done Extension of existing Bhopal property by addition of 30 rooms on lease basis. Further M/s Sayaji Hotels Management Limited (“SHML”), a Wholly Owned Subsidiary of the Company, has signed and entered into 7 (Seven) Management Agreement for the expansion of SHML by having new properties in Vizag, Bhuji, Dehradun, Udaipur, Jamnagar, Nashik and Morbi.

This expansion plan will lead to an addition of 476 new rooms and an overall increase of 1000 rooms into the portfolio by the fiscal 2021-22. It aims at strengthening and increasing presence on PAN India basis.

The SHML also signed a term sheet with M/s Intellistay Hotels Pvt. Ltd. (“IHPL”) for acquisition of 51% stake in IHPL. At present IHPL runs 20 hotels (1028 Rooms) across the country on asset light model under the Brand Name Mango Suites, Istay Hotels, Mango Select, Apodis.

POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Sayaji has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information.

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. Internal Complaints Committees has also been set up to redress complaints received on sexual harassment.

During the year under review, the Company has not received any complaint of sexual harassment from the women employees of the Company and no complaint was pending at the end of the year.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31st March, 2021, your Company has 4 (four) Wholly owned Subsidiaries and 1 (one) Associate Company which are here as under:

| Wholly owned Subsidiary Companies | Associate Company |
|--------------------------------------|--------------------------------------|
| Sayaji Hotels Management Limited | Barbeque Nations Hospitality Limited |
| Sayaji Hotels (Pune) Limited | |
| Sayaji Hotels (Vadodara) Limited | |
| Sayaji Housekeeping Services Limited | |

In accordance with Section 129(3) of the Act read with Rule 8(1) of Companies (Accounts) Rules, 2014, the consolidated financial statements of the Company and all its subsidiaries and associates have been prepared by the Company and a separate statement containing the salient features of the financial statement of its subsidiaries and associate company in form AOC-1 is attached as '*Annexure-1*' to this Annual Report.

In terms of provisions of Section 136 of the Act, separate audited accounts of the subsidiary companies shall be available in the "Investor's" section at the Company's website www.sayajihotels.com. The Company will make available physical copies of these documents upon request by any shareholder of the Company interested in obtaining the same and are available for inspection by any Member of the Company at the Registered Office of the Company.

The Company has sold its investment in 68,93,998 Equity Shares that represent 51.67% held in Malwa Hospitality Private Limited to the promoters and relative of the promoters of the Company on 31st March, 2021, as a result it ceased as a material subsidiary of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Sayaji has always been committed to the welfare of the society and being a responsible citizen, it has always given all damndest in reducing the carbon footprints. In accordance with section 135 of the Companies Act, 2013 and rules made thereunder, the Board of the Company has formulated a Corporate Social Responsibility Committee to oversee, monitor and implement the Corporate Social Responsibility Policy ("CSR Policy").

As per rule 3(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 if a company ceases to be covered under subsection (1) of section 135 of the Act for three consecutive financial years it is not required to constitute a CSR Committee and comply with the provisions contained in section-135 of the Act till such time it meets the criteria specified in sub-section (1) of section 135 of the Act.

Since the company ceases to fall in the above mentioned criteria, the Board of the Company in its meeting held on 30th June, 2021 has dissolved its CSR Committee in the best interest of the Company.

PROHIBITION OF INSIDER TRADING

The Company had in place a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company by the Directors of the Company and other designated persons.

For the above mentioned purpose, the Company has established systems and procedures to prohibit insider trading activity and has framed a **Code of Conduct to Regulate, Monitor and Report trading by insiders and Code of Fair Practices and Procedures for disclosure of Unpublished Price Sensitive Information (UPSI)** ("Code of Conduct") as per the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT

Regulations), which prohibits the Directors of the Company and other designated persons to deal in the securities of the Company on the basis of any UPSI, available to them by virtue of their position in the Company. The objective of this Code of Conduct is to prevent misuse of any UPSI and prohibit any insider trading activity, in order to protect the interest of the shareholders at large.

The Board of Directors of the Company have amended its Code of Conduct in its meeting held on 13th February, 2021 in accordance with the amendments in the PIT Regulations. A report on compliance of Minimum Standards for Code of Conduct and details of violation are placed before the Board on annual basis.

The Code of conduct is available on the website of the Company at https://sayajihotels.com/data/2021/Code_of_Conduct_under_SEBI_PIT_Regulations_2015.pdf

BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

As at 31st March, 2021, the composition of the Board of Directors was in accordance with the provisions of Section 149 of the Act and Regulation 17 of the LODR Regulations, 2015, with an optimum combination of Executive, Non-Executive and Independent Directors.

As on the date of this Annual Report, the Board of Directors of the Company consists of 6 members. The Board consists of Managing Director, Whole time Director and 4 Independent Directors and Key Managerial personnel as under;

| S. No. | Name | Date of Appointment | Designation |
|---------------|-------------------------------|----------------------------|-------------------------|
| 1. | Mr. Thottapuly Narayanan Unni | 31/01/2002 | Independent Director |
| 2. | Mr. Raouf Razak Dhanani | 14/11/2013 | Managing Director |
| 3. | Mrs. Suchitra Dhanani | 06/02/2014 | Whole Time Director |
| 4. | Mrs. Isha Garg | 27/08/2020 | Independent Director |
| 5. | Mr. Saquib Salim Agboatwala | 14/02/2019 | Independent Director |
| 6. | Mr. Abhay Chintaman Chaudhari | 23/01/2021 | Independent Director |
| 7. | Mr. Sandesh Khandelwal | 06/02/2014 | Chief Financial officer |
| 8. | Mr. Amit Sarraf | 26/09/2011 | Company Secretary |

CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS

During the year under review,

1. Mr. Kayum Razak Dhanani (DIN: 00987597) has resigned w.e.f. 11th November, 2020 due to his pre-occupations. The Board placed on record its appreciation for the valuable guidance and assistance received from him during respective tenure.
2. Mrs. Isha Garg (DIN: 06803278) has been appointed as an Independent Director w.e.f. 27th August, 2020.
3. Mr. Abhay Chintaman Chaudhari (DIN: 06726836) has been appointed as an Independent Director for his second term w.e.f. 23rd January, 2021.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 of the Act, all the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the LODR Regulations, 2015.

In terms of Regulation 25(8) of LODR Regulations, 2015, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Also pursuant to Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014. they declared that the provisions of Sub-Rule (1) and Sub-Rule (2) of Rule 6 of the said rules has been complied with.

The Board of Directors, after considering due assessment of the veracity of the declaration submitted by the Independent Directors under sub section (6) of Section 149 of the Act read with sub-regulation (9) of Regulation 25 of the listing regulations, was of the opinion that all the Independent Directors meet the criteria of independence and both the independent directors, appointed during the year, have adequate expertise, integrity, proficiency and experience for discharging their duties.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

Sayaji believes that a Board which is well familiarized with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors of the Company are updated on changes/developments in the domestic/global corporate and industry scenario including those pertaining to statutes/legislations & economic environment and on matters significantly affecting the Company, to understand their roles and responsibilities, nature of the industry in which the Company operates, business model of the Company which enable them to take well informed and timely decisions.

All new Independent Directors are taken through a detailed induction and familiarization Programme when they join the Board of your Company and are provided with induction kits which, inter alia, include the Company's Memorandum and Articles of Association, Code of Conduct of Board of Directors, Code of Conduct for Prevention of Insider Trading and other relevant documents. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

Apart from the above, the Directors are also given an update on the environmental and social impact of the business, corporate governance, regulatory developments and investor relations matters.

Further, during the year, presentations were also made from time to time at the Board and its committee meetings, on regular intervals, covering the business and financial performance of the Company, business outlook and budget, expansion plans, succession plans etc. The details of familiarization Programme attended by Independent Directors is available on the website at https://sayajihotels.com/data/2021/Familiarization_programme_for_Independent_directors.pdf

SEPARATE MEETING OF INDEPENDENT DIRECTORS AND PERFORMANCE EVALUATION OF BOARD BY THEM

During the year under review, a separate meeting of Independent Directors was held on 13th February, 2021 without the presence of non-independent directors and members of the management pursuant to Schedule V of the Act and Regulation 25(3) and (4) of the LODR Regulations, 2015, details of which is present in the Corporate Governance Report forming part of this Annual Report.

RETIREMENT BY ROTATION

Mrs. Suchitra Dhanani will retire by rotation at the ensuing Annual General Meeting ('AGM') of your Company and being eligible, offers herself for re-appointment in accordance with the provisions of Section 152 (6) of the Act read with Articles of Association of the Company. The Board of Directors of your company has recommended name of Mrs. Suchitra Dhanani for the same.

The disclosure pertaining to the director being re-appointed as required pursuant to the LODR Regulations, 2015 and secretarial standards – 2 is given in the explanatory statement to the Notice convening the AGM, forming part of this Annual Report.

MEETINGS OF THE BOARD AND ITS EFFECTIVENESS

During the financial year under review, your Board has met Eight (8) times and details of the composition of the Board and its Committees and of the meetings held and attendance of the Directors at such meetings are provided in the Corporate Governance Report.

Further, the Company for effectiveness of Board process has adopted the Governance Guidelines which inter alia, cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director's remuneration, Code of Conduct, Board Effectiveness Review and mandates of Board Committees

COMMITTEES OF THE BOARD OF DIRECTORS

During the year under review, the Company has 6 (six) Committees as mentioned below and details with respect to the composition, charters and meeting held are given in detail in the Corporate Governance Report forming part of this Annual Report:

- Audit Committee
- Corporate Social Responsibility Committee*
- Borrowing and Investment Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Scheme Implementation Committee

** The Corporate Social Responsibility Committee was dissolved by Board in its meeting held on 30th June, 2021*

The details of Composition of the above-mentioned Committees are also available on the Company's website at https://sayajihotels.com/data/2021/Composition_of_various_Committee_of_Board_of_Directors_new.pdf

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

In accordance with Section 178 of the Act with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of LODR Regulations, 2015, the Company has constituted a Nomination and Remuneration Committee ("NRC"), details of which has been disclosed in the Corporate Governance Report forming part of this Annual Report and your Company has also formulated a Nomination and Remuneration Policy ("NRC Policy") in accordance with Section 178(3) of the Companies Act, 2013 for appointment and remuneration of Directors, Key Managerial Personnel (KMP) and senior management personnel, salient features of which are hereunder:

- NRC shall identify potential candidates who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in the NRC Policy and to recommend the Board for their appointment and removal.
- NRC shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a NRC Policy, relating to the remuneration for the directors, key managerial personnel and other senior management person.

- NRC shall carry out an annual evaluation process of the Board performance and its Committees;
- NRC Policy contains provisions regarding retirement and the Board shall have the discretion in retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, upon the recommendation of the NRC for the benefit of the Company.
- NRC policy ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain, motivate and promote talent to run the Company successfully and ensures long term sustainability of talented managerial persons and create competitive advantage.
- NRC policy ensures relationship of remuneration to performance is clear and shall directly linked to their effort, performance, dedication and achievement relating to the Company’s operations.
- NRC shall recommend remuneration for KMP (except WTD/MD) and Senior Management Personnel on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions

As per Section 134(3) and 178(4) of the Act, the web link of Nomination and Remuneration Policy of the Company is <https://www.sayajihotels.com/data/NominationAndRemunerationPolicy.pdf>

AFFIRMATION ON COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY

Pursuant to Regulation 17 of the LODR Regulations, 2015, your Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors and senior management. In addition, the Company has also adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website at <https://sayajihotels.com/investors/>.

All Directors and members of Senior Management have, as on 31st March 2021, affirmed their compliance with:

- Code of Conduct for Board of Directors and Senior Management
- Code for Independent Directors, as applicable.

The Company has obtained a Certificate from the Managing Director regarding compliances of the codes as stipulated above. The Certificate is appended as “*Annexure – 9*” to this Annual Report.

ANNUAL EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and LODR Regulations, 2015 the Board of Directors of your Company has carried out a formal annual evaluation of the performance of the Board as a whole, its Committees and of individual directors through a structured questionnaire, prepared after taking into consideration the guidance note issued by SEBI and ICSI, on Board evaluation, covering various aspects of the Board’s functioning, Committee effectiveness, director’s efficiency on individual basis etc.

The feedback and suggestions received from the directors and the Board as a whole has been discussed at the immediate next meeting of Board held on 13th February, 2021 in which directors expressed their satisfaction towards the process and criteria for the annual evaluation.

RISK MANAGEMENT

The Company has an effective system in place for identification of elements of risk which are associated with the accomplishment of objectives, operations, development, revenue and regulations in relation to the Company and appropriate measures are taken, wherever required, to mitigate such risks beforehand.

After Covid-19 pandemic, the Company has specifically identified following risks and also preparing mitigation plans for each risk identified:

- Risk of business slowdown, inadequate growth and negative returns;
- Risk related to cyber security;
- Risk of deterioration of financial health and business interruption;
- Risk of inadequate compliance;
- Risk of Guest and Staff behavior: and
- Risk of impact on reputation and fraud.

Along with this Statutory as well as Internal Auditors report to the Audit Committee during their audit and highlight risks, if any, associated with organization and also suggest the appropriate measures, in consultation with the management and the Audit Committee, which can be taken by the Company in this regard. The Statutory Auditors also report to the Audit Committee of any instance of non-adherence to the procedures and manual which may increase the risk of frauds in the organization.

The Company has in place Risk Management Policy formulated in accordance with the provisions of Section 134(3)(n) of the Act, which is available at https://www.sayajihotels.com/data/Risk_Management_Policy.pdf. There has been no change in the policy during the year under review.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE AND REMUNERATION OF EMPLOYEES

Your Company firmly believes that a well-planned HRM program that is tailored to your organization and staff can actually improve your business's bottom line.

Our teams are integral to our business. We have embraced a culture of excellence and meritocracy to nurture our people. We believe in selecting the right talent, training them and instilling in them the spirit of Sayajians. We focus on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers. We aim also at achieving advance flexibility, innovation, competitive advantage and improved business performance.

Sayaji follows a performance measuring tool like Balance Score Card (BSC) and Key Performance Indicators (KPI), applicable depending on their position in the organization, by which periodical 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.

The Company has total number of permanent employees on roll as at 31st March, 2021 was 788 across all its hotel units.

The information required under section 197(12) of the Act, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the '*Annexure – 8*' to this Annual report.

Further, none of the employee in the Company falls under the provision of section 197 (12) of the Companies Act, 2013 and Rule 5 (2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has established an adequate system of internal controls, with documented procedures covering all corporate functions and hotel operating units. Internal controls provide:

- reasonable assurance regarding the effectiveness and efficiency of operations,
- the adequacy of safeguards for assets,
- assurance regarding reliability of financial statements,
- the reliability of financial controls and compliance with applicable laws and regulations.

The internal audit process provides a positive assurance to the Company about the internal financial control, it converges process framework, risk and control matrix and a scoring matrix, covering all critical and important functions inter-alia revenue management, hotel operations, purchase, finance, human resources and safety. It ensures that all the transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2020-21

POLICIES

The Company has adopted various policies under the Companies Act, 2013, PIT Regulations, LODR Regulations, 2015 and other applicable laws, which are given here below:

- Corporate Social Responsibility Policy
- Familiarization Programme for Independent directors
- Material Subsidiary Policy
- Related Party Transaction Policy
- Risk Management Policy
- Nomination and Remuneration Policy
- Policy for determination of materiality
- Policy for Preservation of the Documents

- Business Responsibility Policy
- Policy for Procedure of Inquiry in Case of Leak of Unpublished Price Sensitive Information (“UPSI”)
- Policy for determination of legitimate purposes.
- Policy for procedure of fair disclosure of Unpublished Price Sensitive Information (“UPSI”)
- Whistle Blower & Vigil Mechanism Policy

All the policies are amended as required from time to time and are available at the Company’s website under Investor’s head which can be accessed through link: <https://sayajihotels.com/investors/>.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (C) read with Section 134 (5) of the Act, the Directors of your Company, to the best of their knowledge and ability and based upon representations from the Management, hereby confirm that:

- in the preparation of the annual financial statements for the year ended 31st March, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- they have selected such accounting policies in consultation with Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs and loss of the company at the end of the Financial Year 2020-21;
- they have taken proper and sufficient care 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;
- they have prepared annual financial statements for year ended 31st March, 2021 on a going concern basis;
- they have laid down internal financial controls for your Company, which are adequate and operating effectively; and
- they have been devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

A statement to the effect is annexed here to as ‘*Annexure-10*’ forming part of this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the contracts, arrangements or transactions entered into during the year under review by the Company with related parties were in ordinary course of business and on an arm’s length basis. Prior omnibus approval is obtained for related party transactions (RPT’s) which are of a repetitive nature and entered in the Ordinary Course of Business and are at Arm’s Length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, has been placed on quarterly basis for review by the Audit Committee.

As per the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, your Company has framed a policy on dealing with RPTs which can be accessed on the Company's website under the link: https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf. This Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with the Related Parties.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) and (2) of the Companies Act, 2013, are provided in the prescribed **Form AOC-2**, appended as *Annexure – 2* to this Annual Report.

AUDITORS

STATUTORY AUDITOR

M/s K.L. Vyas & Co., Chartered Accountants were re-appointed as Statutory Auditors of your Company at the 35th Annual General Meeting held on 28th September, 2018, for a term of five consecutive years till the financial year 2022-23. The Auditors have confirmed that they are not disqualified from being re-appointed as Auditors of the Company and hold a valid Peer Review Certificate issued by the Peer Review Board of the ICAI.

The Report given by the Auditors on the financial statement of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Companies Act, 2013.

SECRETARIAL AUDITOR

The Board of Directors had appointed M/s Neelesh Gupta & Co., Practicing Company Secretary (COP No. 6846) in accordance with provisions of section 204 of the Companies Act, 2013 and Regulation 24A of the LODR Regulations, 2015, to conduct Secretarial Audit and Annual Secretarial Compliance Report for the financial year 2020-21 whose report is attached separately to this report as "*Annexure 3*" of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Pursuant to SEBI circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 the Annual Secretarial Compliance Report dated 28th June, 2021 given by M/s Neelesh Gupta & Co, Practicing Company Secretary has been filed with the Stock Exchange.

COST AUDITOR

The Company is not required to maintain cost records and conduct cost audit in accordance with Section 148(1) of the Act read with Rule 3 of the Companies (Cost Record and Audit) Rules, 2014 as the services of the Company are not covered under the said rules and limits.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AND SECRETARIAL AUDITORS

During the year under review, Statutory Auditors' Report, Secretarial Auditors' Report and the Annual Secretarial Compliance Report do not contain any qualification, reservations or adverse remarks or disclaimers

and hence no further explanation or comments by the Board of directors is required in terms of Section 134(3)(f) of the Companies Act, 2013.

CORPORATE GOVERNANCE

Sayaji has been practicing the principles of good corporate governance and is committed to maintain high standards of the corporate ethics and professionalism. The tenets of inclusiveness and transparency are integral part of our corporate governance practices.

In compliance with the provisions of Regulations 34(3) of the SEBI (LODR) Regulations, 2015 a report on Corporate Governance is available as a separate section in this Annual Report.

A certificate pursuant to Para E Schedule V of LODR Regulations, 2015, from M/s K. L Vyas and Company, Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 is attached as '*Annexure - 4*' to this Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism and has revised the Whistle Blower policy in the meeting of Board held on 30th June, 2021 in confirmation with Section 177(9) of the Act and Regulation 22 of LODR Regulations, 2015, to provide Directors and employees an avenue to lodge Complaints, in line with the commitment of Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle-blowing in good faith.

The purpose of this policy is to provide a framework to protect employees wishing to raise a concern about serious irregularities within the Company. It is affirmed that no personnel of the Company have been denied to access to the Chairman of Audit Committee.

The details of the policy have been disclosed in the Corporate Governance Report, which forms a part of the Annual Report and is also available on <https://sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf>

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provisions of Regulation 34(2)(e) read with Para B Schedule V of LODR Regulations, 2015, the Management's Discussion and Analysis Report on Company's performance – industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable, forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the provisions of Regulation 34(2)(f) of LODR Regulations, 2015, the Business Responsibility Report for the financial year 2020-21, which describes the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

CEO & CFO CERTIFICATION

In terms of Regulation 17(8) read with Part B of Schedule II of the LODR Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have issued a certificate authenticating Financial Statements for the Financial Year 2020-21 which provides a true and fair view of the affairs of the Company and the said certificate dated 30th June, 2021 was placed before the Board in its meeting held on 30th June, 2021 and was reviewed and taken on record by the Board. The said Certificate is attached as '*Annexure - 5*' to this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

Section 129(3) of the Companies Act, 2013, requires preparation of consolidated financial statement of the Company and of all the subsidiaries including associate company and joint venture businesses in the same form and manner as that of its own. In conformity with the above section and Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 the Company has prepared Consolidated Financial Statements which are forming part of this Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOES

Your Company is continuously striving towards conservation of energy across all its units and has also earned foreign currency in Financial Year 2020-21, complete details with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134 (3)(m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 has been disclosed in '*Annexure 6*' to this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with Secretarial Standards on Board meeting and General meetings, as applicable on the Company, issued by Institute of Company Secretaries of India.

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

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 2020-21 to which the financial statements relate and the date of this report. Following events were take place after 31st March, 2021 -

(i) SALE OF SHARES OF BARBEQUE-NATION HOSPITALITY LIMITED BY SAYAJI HOUSEKEEPING SERVICES LIMITED, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

The Barbeque-Nation Hospitality Limited (BNHL), an associate Company of Sayaji has come up with an Initial Public Offer in which Sayaji Housekeeping Services Limited (SHKSL), a wholly owned subsidiary of Sayaji has sold 10,18,288 equity shares in March, 2021 by way of an offer for sale at Rs. 500 per share.

(ii) DECLARATION OF INTERIM DIVIDEND BY SAYAJI HOUSEKEEPING SERVICES LIMITED, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

The Board of Sayaji Housekeeping Services Limited (SHKSL), a wholly owned subsidiary of Sayaji in its meeting held on 21.08.2021 has declared an interim dividend of Rs. 18,00,00,000 for financial year 2021-22 on 63,65,000 Equity shares of the SHKSL having face value of Rs. 10/- each, out of the profit of quarter ended on 30th June, 2021. The SHKSL has also declared cumulative preference dividend of Rs. 20,000/- on 10,000 Cumulative Preference shares of face value 10/- each out of profit of quarter ended 30th June, 2021. The Company being the sole beneficial owner/holder of equity and preference shares shall receive a total amount of Rs. 18,00,20,000/- of dividend.

(iii) ACQUISITION OF INTELLISTAY HOTELS PRIVATE LIMITED BY SAYAJI HOTELS MANAGEMENT LIMITED, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

The Sayaji Hotels Management Limited, a wholly owned subsidiary of the Company, has signed a term sheet with M/s Intellistay Hotels Private Limited (IHPL) for acquisition of 51% stake in IHPL at the total value of Rs. 24942560/- by way of investment into the Equity Shares of the IHPL in order to expand SHML's business and capacities and to strengthen its market position. As a result of the above transaction the Company has indirectly acquired control/substantial stake in the IHPL.

The Company has submitted the details of above transaction to stock exchange which is available at www.bseindia.com and also on website of the Company under Investor section under head 'Announcements under Regulation 30 (LODR)' at <https://sayajihotels.com/investors/>.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form on BSE. The Company have connectivity with the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited, as prescribed by the Securities and Exchange Board of India. Equity shares of the Company representing 91.44% of the Company's equity share capital are dematerialized as on March 31, 2021. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE318C01014.

Further your Company has also availed the demat facility for the Preference Shares holders from NSDL and 75% of Preference Shares are already converted into the demat form.

PAYMENT OF LISTING FEE AND CUSTODIAL FEE

Your Company has paid both Annual Listing Fee and Annual Custodial Fee for the Financial Year 2020-21 to the BSE Limited and to the depository's i.e National Securities and Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) respectively.

CERTIFICATE FROM PRACTISING COMPANY SECRETARY OF NON-DISQUALIFICATION OF DIRECTORS

The Company has obtained a certificate dated 28th June, 2021 from M/s Neelesh Gupta & Co., Practicing Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10) (i) of LODR Regulations, 2015 confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) or any such statutory authority and the same is annexed hereto as '*Annexure – 7*'.

WEB ADDRESS OF ANNUAL RETURN

Pursuant to Section 92(3) and Section 134 (3) (a), web address of the annual return as on March 31, 2021 in form MGT-7 is <https://sayajihotels.com/investors/>

ACKNOWLEDGEMENT AND APPRECIATION

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 a fighter during this unfavorable time.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, retailers, vendors and others associates. Your Company looks upon them as partners in its progress, it will be your Company's endeavor to build and nurture strong links with them based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For and on behalf of the Board

Place: Indore
Date: 30th August, 2021

T. N. Unni
Chairman
DIN – 00079237

ANNEXURE “1” TO THE BOARD REPORT**FORM NO. AOC-1****PART: A****SUBSIDIARIES**

**(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 |
|--|---|---|---|---|
| Name of the Subsidiary | Sayaji Hotels (Vadodara) Limited | Sayaji Housekeeping Services Limited | Sayaji Hotels Management Limited | Sayaji Hotels (Pune) Limited |
| Date of acquiring Subsidiary | 10.05.2018 | 16.03.2016 | 14.05.2018 | 10.05.2018 |
| Financial year ending on | 31.03.2021 | 31.03.2021 | 31.03.2021 | 31.03.2021 |
| Reporting Currency | 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. |
| Share Capital | 5.00 | 637.50 | 5.00 | 5.00 |
| Reserve & Surplus | (4.47) | 593.07 | (333.18) | (2.53) |
| Total Assets | 1.92 | 1241.62 | 1564.05 | 3.28 |
| Total Liabilities excluding equity | 1.39 | 12.05 | 1892.23 | 0.81 |
| Investments | 0.00 | 580.14 | 0.00 | 0.00 |
| Turnover | 0.00 | 60.88 | 336.74 | 0.00 |
| Profit/(Loss) before Tax | (0.59) | 59.82 | (237.36) | (0.81) |
| Provision for tax including deferred tax | (0.97) | (15.27) | (76.91) | (0.22) |
| Profit/(Loss) after Tax | (4.47) | 44.55 | (160.45) | (1.03) |
| Proposed Dividend | 0.00 | 0.00 | 0.00 | 0.00 |
| % of shareholding | 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 |
|---|---|
| 1. Latest audited Balance Sheet Date | 31.03.2021 |
| Date on which the Associate or Joint Venture was associated or acquired | 29.03.2016 |
| 2. Shares of Associate or Joint Ventures held by the Company on the year end | - |
| No. | - |
| Amount of Investment in Associate or Joint Venture | - |
| Extend of Holding (in percentage) | - |
| 3. Description of how there is significant influence | M/s Sayaji Housekeeping Services Ltd (i.e 100% subsidiary of M/s Sayaji Hotels Ltd) holds 37.18% stake in M/s Barbeque Nation Hospitality Ltd therefore it is an associate of M/s Sayaji Hotels Ltd |
| 4. Reason why the associate/joint venture is not considered | N.A. |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | |
| 6. Profit or Loss for the year | (918.85) |
| i. Considered in Consolidation | Yes |
| ii. Not Considered in Consolidation | - |

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

Himanshu Sharma
Partner
M. No. 402560

Indore, 30th June, 2021

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

ANNEXURE- 2 TO BOARD 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 arrangement or transactions not at arm's length basis

During the financial year 2020-21, there were no contracts or arrangements entered into by the Company with related party which were not at arm's length basis.

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

| Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if Any | Date of approval by the Board | Amount paid as advances, if any: | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---|---|---|--|-------------------------------|----------------------------------|---|
| 1.Mrs. Suchitra Dhanani 2.Mr. Kayum Dhanani 3.Mrs. Saba Dhanani 4.Mrs. Sadiya Dhanani 5.Mrs. Sumera Dhanani 6.Mr. Azhar Dhanani 7.Mr. Zuber Dhanani 8.Ms. Zoya Dhanani 9.Ms. Sanya Dhanani 10.Mr. Raof Razak Dhanani Nature of Relationship- Mrs. Suchitra Dhanani and Mr. Raof Razak Dhanani is the promoter and Director of the Company and rest of the persons are the | The Company has sold its entire 6893998 Equity Shares held in the Malwa Hospitality Pvt. Ltd. | One time basis | The Company has sold the said shares at a Consideration price of Rs. 10/- per share in aggregate at value Rs. 68939980/- | 03.12.2020 | None | 27.12.2020 |

| | | | | | | |
|--|---|----------------------------|---|------------|------|------|
| relative of the directors and existing promoters of the Company. | | | | | | |
| M/s Prinite Hospitality Private Limited (PHPL) Nature of Relationship- Mr. Raof Razak Dhanani is the Director of both the Companies. | The Company amended the lease agreement on 1st November, 2020 by substituting clause 6 of original agreement through an amended deed executed between the Company and PHPL. | 5 Years from November 2017 | The company will pay to PHPL on monthly basis a minimum guarantee value of Rs. 50,00,000/- (Rs. Fifty Lakhs Only) or 22% of "Revenues from Hotel" whichever is higher. Escalation will be @ 10% after every 3 yrs. on the last paid rentals. | 12.12.2020 | None | N.A. |
| I SQ Hospitality LLP Nature of Relationship- Mr. Jameel Sayed Taher Partner of LLP is relative of Mr. Raof Razak Dhanani, Managing Director of the Company. | The Company has entered into a transaction for availment of reservation/ booking services from I SQ Hospitality LLP | Continuous Transaction | The consideration paid for the said services shall be percentage based on the value of bookings subject to maximum up to 15% of value of bookings received through them. | 13.02.2021 | None | N.A. |

ANNEXURE '3' TO BOARD REPORT

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SAYAJI HOTELS LIMITED
CIN- L51100TN1982PLC124332
F1 C2 Sivavel Apartment 2 Alagappa Nagar,
Zamin Pallavaram Chennai TN 600117 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAYAJI HOTELS LIMITED** (hereinafter called 'the company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Board of Directors are responsible for the matters of Compliances of the various provisions of the Companies Act, 2013 and other applicable laws. Our responsibility to conduct the audit of the Compliances made during the year upon test check basis. We have adopted such methods and procedure and based on our verification of the **SAYAJI HOTELS LIMITED** 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 has 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- (v) 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(Not Applicable for the review period)

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable for the review period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable for the review period)**
- (f) 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; **(Not Applicable for the review period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable for the review period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable for the review period)**
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996**

Further all the listing compliances and checks have been carried out in the reference with **Secretarial Compliance Report** along with all the observations made as uploaded on the stock exchange.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

| S. No. | Relevant provisions For Compliance Requirement | Observation |
|--------|--|---|
| 1. | Regulation 17(1) and 20(2)/(2A), of SEBI (LODR) Regulations, 2015-Board of Directors/ Stakeholders Relationship Committee and Section 149(3) of the Companies Act, 2013 read with The Companies (Appointment and Qualification of directors) Rules, 2014 | <p>Regulation – 17 (1): The Company was making efforts to find a suitable candidate for the appointment of Women Independent director but it was not be able to complete such exercise within the timeline solely on account of the Covid-19 pandemic, which were beyond the control of the Company. Further, the Company appointed Mrs. Isha Garg as women independent Director w.e.f. 27th August, 2020 and rectified the irregularity in the composition of the Board.</p> <p>The Company submitted a waiver request to BSE limited which was approved and the same matter was disposed of by BSE Limited through email dated 10.05.2021</p> <p>Regulation - 20 (2) / (2A) - Due to resignation of an Independent Director the Composition of the Board and Committees of the Company got distorted.</p> |

| | | |
|----|--|--|
| | | <p>There is no time limit prescribed specifically under the LODR Regulations regarding appointment of members of the committee in case of distortion of composition due to resignation by the Independent Director, but the Company complied with requirement of regulation – 20(2) by appointing Mrs. Suchitra Dhanani, Whole Time Director of the Company as the member of the committee in its first Board Meeting held on 30th July, 2020 after the resignation of director.</p> <p>The Company submitted a waiver request to BSE limited which was approved and the same matter was disposed of by BSE Limited through email dated 10.05.2021</p> |
| 2. | Regulation 33 (3) (a) of SEBI (LODR) Regulation, 2015– Financial Results along with Limited Review report/Auditor’s report | <p>The Company has filed Standalone financial results for 31.03.2020 on time but failed to submit consolidated financial results to the exchange due to situation caused by Force Majeure Pandemic situation by Covid-19.</p> <p>Due to the said force majeure event of Covid-19, one of its associate company, Barbeque-Nation Hospitality Ltd. “BNHL”, could not prepare and submit its financial results for the quarter and year ended 31st March, 2020 for consolidation by the Company as it has PAN India Presence and all of the restaurants were closed during various lockdowns imposed by Central Government as well as the Concerning State Government and Local Administrative Authority. As the normality regained they submitted the financials to the company.</p> <p>Thus, the delay was rectified by the company by approving the same in its Board meeting held on 13th November, 2020 and by filing the same to Stock Exchange.</p> <p>The Company submitted a waiver request to BSE limited which was partly approved by BSE Limited through email dated 27.07.2021</p> |
| 3. | Regulation 33 (3) (a) of SEBI (LODR) Regulation, 2015– Financial Results along with Limited Review report/Auditor’s report | <p>The Company has filed Standalone financial results for 30.06.2020 on time but failed to submit consolidated financial results to the exchange due to situation caused by Force Majeure Pandemic situation by Covid-19.</p> <p>Due to the said force majeure event of Covid-19, one of its associate company, Barbeque-Nation Hospitality Ltd. “BNHL”, could not prepare and submit its financial results for the quarter and year ended 30th June, 2020 for consolidation by the Company.</p> <p>Thus, the delay was rectified by the company as soon as the normality regained and BNHL submitted the financials to the company,</p> |

| | | |
|----|--|---|
| | | <p>The Company approved the same in its Board meeting held on 13th November, 2020 and by filing the same to Stock Exchange.</p> <p>The Company submitted a waiver request to BSE limited which was partly approved by BSE Limited through email dated 27.07.2021</p> |
| 4. | Regulation 33 (3) (a) of SEBI (LODR) Regulation, 2015– Financial Results along with Limited Review report/Auditor’s report | <p>The Company has filed Standalone financial results for 30.09.2020 on time but failed to submit consolidated financial results to the exchange due to situation caused by Force Majeure Pandemic situation by Covid-19.</p> <p>The Company approved the same in its Board meeting held on 12th December, 2020 and by filing the same to Stock Exchange.</p> <p>The Company submitted a waiver request to BSE limited which was approved and the same matter was disposed of by BSE Limited through email dated 19.07.2021</p> |

We further report that:

The Board of Directors of the Company are duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the year Mr. Abhay Chintaman Chaudhari (DIN: 06726836) (Independent Director) resigned w.e.f 18th April, 2020 and was Re-appointed as the Additional Independent Director w.e.f 23rd January, 2021. Further Mr. Kayum Razak Dhanani (Director) resigned w.e.f 11th November, 2020, Ms. Isha Garg (DIN: 06803278) was appointed as the Independent Women Director w.e.f 27.08.2020 and Mrs. Suchitra Dhanani (DIN- 00712187), the Whole Time Director of the Company was Re-appointed for a further term of 3 years with effect from 06th February, 2020 to 05th February, 2023.

The changes in the composition of the Board of Directors that took place during the period under review were 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.

All decisions at Board Meetings and Committee Meetings were carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, standards etc.

We further report that: -

During the audit period of the company, there were instances of:

1.Related Party Transaction

The Company has entered into some related party transactions on the terms and conditions as may be decided by the Board of Directors of the Company in their Board Meetings and all transactions are as per the section 188 of the Companies Act, 2013 and at arm’s length basis.

Subsidiary Company (51.67% Holding)

The company approved the sale of entire Equity Stake in Malwa Hospitality Private Limited amounted to Rs. 6,89,39,980/- comprising of 68,93,998 ((Sixty-Eight Lakhs Ninety-Three Thousand Nine Hundred Ninety-Eight) Equity shares at a price of Rs. 10/- each.

2. Internal Auditor

During the year M/s Anirudh Sonpal & Associates were appointed as the internal auditor for units in Indore, Pune, Effotel Vadodara, Sayaji - Vadodara, Corporate Office at Indore, M/S Jitendra Baghel & Co. for Bhopal Unit and M/s Singhal & Sewak for Raipur Unit.

Date: 05.08.2021

Place: Indore

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

**CS. Neelesh Gupta
Proprietor
C.P. No.6846
UDIN: F006381C000741863**

**To,
The Members,
SAYAJI HOTELS LIMITED
CIN- L51100TN1982PLC124332
F1 C2 Sivavel Apartment 2 Alagappa Nagar,
Zamin Pallavaram Chennai Chennai TN 600117 IN**

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

- Company has held all requisite no. of Board Meetings/audit committee meetings/ Nomination & Remuneration committee complied with the provision of Companies Act, 2013.
- Management properly maintained minutes' book and duly authenticated by the chairman.
- Management has kept and properly entered records in all statutory books in their registered office.
- All Request for transfer of shares received by the company during the year have been executed by registrars & share transfer agents.
- Notice of Board meetings were duly sent to all the directors.
- Notice of annual general meeting has been duly sent to all the members.
- The Company has obtained secured loans from banks/ financial institutions as on 31st March, 2021 and duly entered in statutory register.
- Company has not directly indirectly advanced any loans to any of theirs Director or KMP or any other person in whom the director is interested.
- Company has not accepted any deposit (u/s 73)

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 05.08.2021
Place: Indore

For Neelesh Gupta & Co.,
Company Secretaries

CS. Neelesh Gupta
Proprietor
C.P. No.6846
UDIN: F006381C000741863

AUDITOR CERTIFICATE FOR CORPORATE GOVERNANCE

**To
The Members,
Sayaji Hotels Limited**

This certificate is issued in accordance with the terms of our appointment and Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations, 2015"). We hereby declare that:

We have examined the compliance of conditions of corporate governance by Sayaji Hotels Limited, (**'the Company'**), for the year ended on March, 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the LODR Regulations, 2015 as amended from time to time.

Management's Responsibility

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in aforesaid provisions of LODR Regulations, 2015.

Auditor's Responsibility

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.

It is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2021.

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 (ICAI). The Guidance Note requires that we comply with the ethical requirements of the code of the ethics issued by the ICAI.

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.

Opinion

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 stipulated in aforesaid provisions of LODR Regulations, 2015.

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: Udaipur
Date: 07.08.2021**

**(Himanshu Sharma)
Partner
M. No. 402560
UDIN: 21402560AAAAJU1444**

CEO & CFO 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 2020-21 and that to the best of our knowledge and belief, we state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- (B) No transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company’s code of conduct.
- (C) 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.
- (D) 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 Company 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.
- (E) We have indicated to the auditors and the Audit committee
- significant changes in internal control over financial reporting during the Financial Year 2020-21.
 - significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
 - Instances of significant fraud of which we 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 30.06.2021
Place: Indore

Raof Razak Dhanani
Managing Director
DIN-00174654

Sandesh Khandelwal
Chief Financial Officer

ANNEXURE '6' TO BOARD 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]

| S. No. | Particulars | Comments |
|--|---|-----------------|
| (A) Conservation of Energy | | |
| (i) | The steps taken or impact on conservation of energy | - |
| (ii) | The steps taken by the Company for utilizing alternate sources of energy | - |
| (iii) | The capital investment on energy conservation equipment | - |
| (B) Technology Absorption | | |
| (i) | The efforts made towards technology absorption | - |
| (ii) | The benefit derived like product improvement, cost reduction, product development or import substitution | - |
| (iii) | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | - |
| | a. The details of technology imported | - |
| | b. The year of import | - |
| | c. Whether the technology been fully absorbed | - |
| | d. If not fully absorbed, areas where absorption has not taken place, and the reason thereof | - |
| | e. The expenditure incurred on Research and Development | - |
| (C) Foreign exchange earnings and Outgo | | |
| (i) | Foreign Exchange Earning | 75.71 |
| (ii) | Foreign Exchange Outgo | 12.51 |

ANNEXURE '7' TO 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) 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, 2021 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. | Thottappully Narayanan Unni | 00079237 | 31/01/2002 |
| 2. | Raooof Razak Dhanani | 00174654 | 14/11/2013 |
| 3. | Suchitra Dhanani | 00712187 | 06/02/2014 |
| 4. | Isha Garg | 06803278 | 27/08/2020 |
| 5. | Saqib Salim Agboatwala | 06611659 | 14/02/2019 |
| 6. | Abhay Chintaman Chaudhari* | 06726836 | 23/01/2021 |

*Mr. Abhay Chintaman Chaudhari has been appointed as an Additional Director w.e.f. 23rd Jaunary, 2021

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: 28.06.2021
Place: Indore

For Neelesh Gupta & Co.
Company Secretaries

UDIN: F006381C000528782

CS Neelesh Gupta
Proprietor
C.P. No. 6846

ANNEXURE '8' 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 2020-21:

| S. No. | Name of Director | Designation | Remuneration paid to Director in FY 2021 | Median Remuneration in FY 2021 | Ratio |
|--------|----------------------|---------------------|--|--------------------------------|-------|
| i. | Suchitra Dhanani | Whole Time Director | 14.34 | 0.35 | 40.97 |
| ii. | Raooof Razak Dhanani | Managing Director | 18.28 | 0.35 | 52.22 |

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

| S. No. | Name | Designation | Remuneration Paid in FY 2020 (In Lakhs) | Remuneration Paid in FY 2021 (In Lakhs) | Change (In Lakhs) | Change in terms of % |
|--------|-----------------------|-------------|---|---|-------------------|----------------------|
| i. | Mrs. Suchitra Dhanani | WTD | 31.28 | 14.34 | -16.94 | -54.16 |
| ii. | Mr. Raooof R Dhanani | MD | 0.00 | 18.28 | 18.28 | 100 |
| iii. | Mr. Sandesh Khandewal | CFO | 24.72 | 12.87 | -11.85 | -47.94 |
| iii. | Mr. Amit Sarraf | CS | 12.00 | 6.50 | -5.50 | -45.83 |

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

| Remuneration FY 20 (In Lakhs.) | Remuneration FY 21 (In Lakhs) | Increase (In Lakhs) | % |
|--------------------------------|-------------------------------|---------------------|--------|
| 1.61 | 0.35 | -1.26 | -78.26 |

iv. The number of permanent employees on the rolls of company:

| Name of the Company | No. of Employees on payroll (As on 31.03.2020) | No. of Employees on payroll (As on 31.03.2021) | % Change during the year |
|---------------------|--|--|--------------------------|
| Sayaji Hotels Ltd. | 1690 | 1085 | -35.80 |

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 | Remuneration paid to | % change in remuneration | Remuneration paid to | Remuneration paid to | % change in remuneration |
|--------------------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|
|--------------------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|

| excluding managerial personal for FY 2020 (In Lakhs) | employees excluding managerial personal for FY 2021 (In Lakhs) | paid to employees excluding managerial personal (In Lakhs) | managerial personal for FY 2020 In Lakhs) | managerial personal for FY 2021 (In Lakhs) | paid to managerial personal |
|--|--|--|---|--|-----------------------------|
| 4988.50 | 1845.14 | -63.01 | 68.00 | 51.99 | -23.54 |

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.

vi. Names of the top ten employees in terms of remuneration drawn and the name of every employee, who–

- If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 1,02,00,000/- (Rupees One crore and two lakh): None
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month (Rupees Eight lakh and fifty thousand rupees): None
- If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% (two percent) of the equity shares of the company: None

The statement under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the top ten employees in terms of remuneration drawing remuneration of Rs. 8,50,000/- or more per month or Rs. 1,02,00,000/- or more per annum:

| S. No. | Name | Designation of the employee | Remuneration received | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | Age of employee | the last employment held by such employee before joining the company | the percentage of equity shares | whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|--------|------|-----------------------------|-----------------------|--|---|------------------------------------|-----------------|--|---------------------------------|---|
| - | - | - | - | - | - | - | - | - | - | - |

ANNEXURE '9' TO BOARD'S REPORT

**DECLARATION BY THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER UNDER
CLAUSE REGULATION 34(3) AND SCHEDULE V (D) OF LODR REGULATION, 2015
REGARDING ADHERENCE TO THE CODE OF CONDUCT.**

In pursuance of Regulation 34(3) read with Point D of Schedule – V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (“**LODR Regulations, 2015**”) the Managing Director of your Company hereby confirm and declare that all the Directors and Senior Managerial have affirmed their compliance with the Code of Conduct and Ethics, framed by the Company as per Regulation 17(5) of the LODR Regulations, 2015 and Code of Independent Director as per Companies Act, 2013, as applicable, for the year ended on March 31, 2021 as applicable to them and an affirmation to the effect has been received from each Board Member and the Senior Management Personnel.

For Sayaji Hotels Limited

**Place: Mumbai
Date: 30.06.2021**

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

MANAGEMENT RESPONSIBILITY STATEMENT

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

The Company's 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.

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 Director

Date: 30.06.2021
Place: Indore

Suchitra Dhanani
Whole-Time Director
DIN: 00712187

Raof Razak Dhanani
Managing Director
DIN : 00174654

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

[Pursuant to Regulation 34 read with Part B Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Management Discussion and Analysis Report will provide details of performance of the Company as well as its approach to sustainability and risk management. This report describes Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

Industry structure and developments:

A once-in-a-century crisis—a Great Disruption unleashed by a viral pandemic—hit the world economy in 2020. The pandemic spread like a forest fire, reaching every corner of the world, infecting more than 90 million and killing close to 2 million people worldwide. For several months, uncertainties and panic paralyzed most economic activities in both developed and developing economies. Trade and tourism came to a grinding halt, while job and output losses exceeded levels seen in any previous crisis. In a matter of months, the number of people living in poverty increased sharply, while income and wealth inequality trended towards new highs.

This crisis is indeed universal, affecting all, but its impact is not even. Economic activities in Hospitality market came to a virtual standstill, with a massive loss of income and employment.

The hospitality market consists of sales of accommodation and food services and related goods by entities that provide customers with lodging and/or prepare meals, snacks, and beverages for immediate consumption. The market covers both accommodation and food services because the two activities are often combined at the same establishment. The hospitality market is segmented into non-residential accommodation services and food and beverage services.

The following points explain the current industry structure and developments required as per the present scenario:

Safety and Hygiene

Hygiene, cleanliness and the associated need for more safety and security are probably some of the most important factors and hotel industry trends of the year. The pandemic has ensured that cleanliness, which is standard in every hotel, came back into focus. In these challenging times, hygiene is simply a part of a carefree guest experience. Hotels should therefore do everything in their power to ensure that the guests enjoy a hygienic stay.

Hotels should accompany their guests at every step, from booking to arrival, and tell them what measures they have taken to ensure their safety. This is not primarily about cleaning more, as the hygiene standards in the hotel industry have always been high. It is about showing, saying, explaining, and illustrating to the guests exactly which steps are being carried out from beginning to the end.

Green and Sustainable Tourism

Sustainability has been one of the hotel industry trends for a number of years. Due to the coronavirus, environmental protection and sustainability have slipped into the background for a short time, as it initially seemed difficult to combine it with the new hygiene conditions.

Nevertheless, "green" tourism is still important for your potential guests. Protection of the environment is particularly important to Generation Z and the next generation.

Thus, it is nowhere near enough to just use stickers in the bathroom to indicate that guests should use their towels several times due to the environment. Green travelers want to spend the night at hotels that are committed to

sustainability and have discovered environmental protection as a new business model. Green certification, sustainable action from the kitchen to the reception, solar energy, green electricity, water-saving and CO2 avoidance – all of this is important for travelers and will continue to be a trend in 2021

Customization through Digitalization

A trend that will become more important than ever in 2021 is customization. However, this does not necessarily mean in personal conversation. It is much more a matter of creating a unique and individual experience for the guest. In order for the stay to be extraordinary, however, it takes more than just basic standards such as free Wi-Fi or a bottle of free water in the room. Guests want to be excited, both digitally and personally

In this context, if you have digital helpers, such as the guest directory on the in-room tablet or a hotel app, you already have a lot of what you need for this. The greeting by name on the tablet here, the individually tailored service package there, which is easy to book, and accompanied by pictures, ensures the enthusiasm and satisfaction of guests.

Act Globally and Think Locally

Another hotel industry trend to keep an eye on in 2021 is the conflict between advancing globalization and local contexts. Globalization ensures increasing incomes worldwide. As a result, more people travel and spend longer vacations because they can now afford it. This is accompanied by the opportunity and challenge to accommodate a completely new clientele. Even if international guests are not to be expected in the first half of the year, they will return, and hotels should prepare for that too. Like domestic travelers, they are interested in local attractions and regional delicacies. Bring your surroundings to life and encourage your guests to become familiar with their local people.

In this context, it is necessary to stress the need for collaboration. Through cooperation, be it with regional farmers, local excursion destinations or with technology providers, you can create a network to meet the changing guest needs. In addition, this is the only way to create truly local experiences and at the same time generate synergy effects. Whole regions, guests and your wallet can benefit from more cooperation.

New concepts

Despite the difficulties of 2020, the creativity and ingenuity of hoteliers was still evident. Conversions to coworking spaces have become popular, as well as renting hotels out as emergency hospitals or creating shelters for the homeless.

In addition to the classic hotel, a large number of new, alternative types of accommodation have developed on the market in recent years. Boarding houses, services apartments, co-living spaces for remote workers or single travelers are just a few examples of these alternatives.

Soon these will no longer be alternatives, but a part of the standard as well as classic hotels. Because one thing is clear, the longer hotels are empty, the more money is lost. And that is precisely why more and more experienced hoteliers are looking for creative ways to fill their hotel again and use the rooms for other purposes. This “alternative” hotel industry trend will thus continue in 2021, as far as it can be combined with the business and service strategy

New Preferences

Another important hospitality trend in 2021 is the changed guest needs. Of course, guests also want fast and stable Wi-Fi connection, but the desire for digital experiences goes far beyond that. After all, many guests now prefer a digital check-in solution and other contactless processes, such as ordering room services at the push of a button.

Desired travel destinations are also changing. Currently, international air travel and global luxury cruises do not belong to the wish lists of guests. Tourists are now looking increasingly for more regional and national experiences. In addition, the trend in the hospitality sector towards online bookings will continue. The uncertainty that currently prevails among guests when it comes to traveling has a significant impact on the travel

destinations and travel arrangements. Last-minute trips and flexible cancellations conditions will also be increasingly popular in 2021.

Opportunities and Threats:

The Covid-19 pandemic has set new standards in the sector and has led to faster changes than ever seen before. Besides the obvious negative effects, however, new opportunities and trends arose.

In 2021, more than ever, hoteliers are required to renew their IT structures, expand digital communication channels, and integrate new technologies. Because all digital helpers from the digital guest directory to intelligent room controls and smart hotel systems, hotel apps and check-in terminals have one thing in common: it will help survive the pandemic and at the same time will open up new sale potential.

To implement these strategies, digital knowledge will be a necessity, as well as that of online marketing. Without this, it is becoming increasingly difficult for hoteliers to build a profitable business model. For this reason, knowledge in the field of digitalization will be the currency of the year 2021. However, it is important to note that not every technical gimmick is suitable for every hotel and suits the clientele, hence we are looking together with our employees to see which digital helpers offer real added value for guests and really benefit the operation of our hotel units.

While considerable challenges lie ahead, the crisis also provides an unprecedented opportunity for transformation. It offers the possibility of rethinking tourism so as to leverage its impact on destinations and build more resilient communities and businesses through innovation, digitalization, sustainability and partnerships. Innovation and sustainability will be two key pillars of a recovery focused on building tourism back better and stronger. In a sector that employs 1 in 10 people globally, the goals of harnessing innovation and digitalization, embracing local values, fostering accessibility and creating decent jobs for all, especially for youth, women and the most vulnerable groups, should be at the forefront of that recovery.

The present crisis presents the opportunity to transform the relationship of tourism with nature, climate and the economy; to rethink how the sector impacts natural resources and ecosystems; to empower local communities; to improve the measurement and management of tourism through data and research; to ensure a fair distribution of its benefits; and to advance the transition towards a tourism economy that is carbon-neutral and resilient.

Along with opportunities as mentioned, the present scenario has come with many threats.

The pandemic has disproportionately affected labor-intensive services sectors in India. Commercial air travel, tourism, catering, leisure, personal care and retail industries, manufacturing, trade and transportation—which typically employ large numbers of low-skilled workers—faced the largest job losses. Many of the jobs in these sectors cannot be performed remotely, making them vulnerable to lockdown and quarantine measures.

Employees in some (mostly higher-skilled) sectors have been able to work remotely from the relative safety of their homes, while others in occupations requiring personal contact with customers have either lost their jobs or have been compelled to expose themselves to potential infection to earn any income.

Till about February 2021, we were expecting recovery to continue in FY22, but the second wave has turned out to be a dampener. We have closed FY21 with net losses. That's because despite taking severe cost-cutting measures over the past year, the hotel industry suffers from weak demand. A majority of costs of the hotel industry is fixed (70 per cent of total costs), with power, lighting and employee costs having major share. With a drop in room rates, we have re-aligned our cost base to tackle this exceptionally challenging environment.

| OPPORTUNITIES | THREATS |
|--|---|
| <ul style="list-style-type: none"> • Re-think business model • Innovation and digitalization • Sustainability and sustainable-oriented segments (rural, nature, health) • De-escalation phases initiated toward the ‘new normal’ • Progress in adaptation plans in destinations & companies | <ul style="list-style-type: none"> • Economic environment: world recession, rising unemployment and jobs at risk, disposable income, uncertainty weighing on consumer and business confidence • Uncertain length of pandemic (including resurgence) and vaccine unavailability • Extent of lockdowns and travel restrictions • Unknown form of the "new normal" |

Segment-wise or product-wise performance:

Your Company is in Hospitality sector and provides food and beverages and accommodation services to the customers. We have a single segment and the comparative performance of the Company has been detailed in the financial Statements for Financial Year 2020-21. Further details of the adequacy of internal controls and material developments in human resource are given in Directors Report which forms a part of this Annual Report.

Global and Domestic Outlook:

The global hospitality market is expected to grow from \$3486.77 billion in 2020 to \$4132.5 billion in 2021 at a compound annual growth rate (CAGR) of 18.5%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$5297.78 billion in 2025 at a CAGR of 6%.

Asia Pacific was the largest region in the global hospitality market, accounting for 45% of the market in 2020. North America was the second largest region accounting for 25% of the global hospitality market. Africa was the smallest region in the global hospitality market.

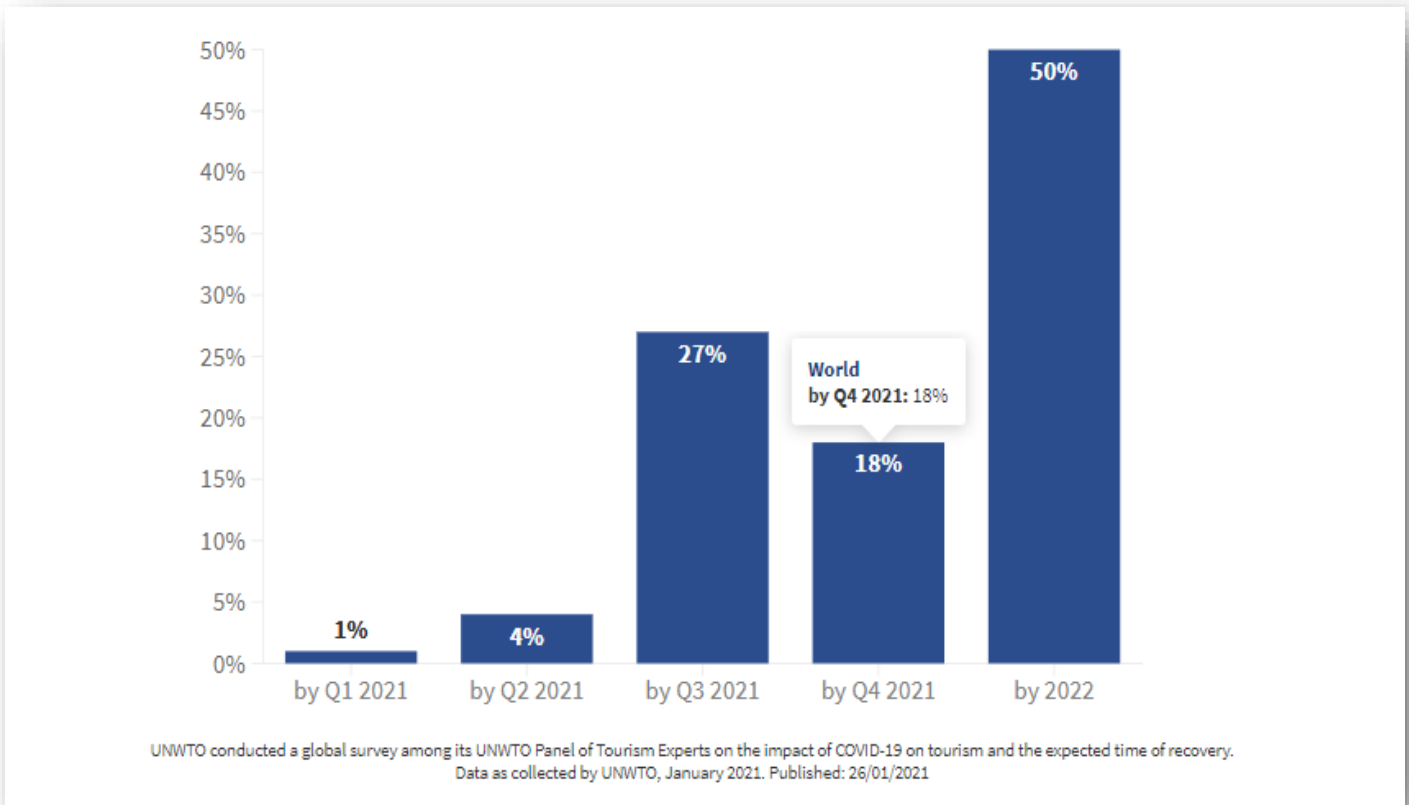
Hotels are using technologies that are transforming the customer experience. Some technologies are leading to significant improvements and savings in the hospitality market. The most significant trends in this market are the use of near field communication (NFC) technology, infrared technologies, and robots. NFC gives users the ability to exchange data between devices, making mobile payments an instant, secure process. Infrared sensors are used in hotels to address customer complaints involving housekeeping interruptions. Hotels are also using robots to deliver amenities to guest rooms and for many other functional purposes. Hotel operators are investing in systems and technologies that can automate processes and personalize the experience for guests.

The outbreak of Coronavirus disease (COVID-19) is expected to continuously have a negative impact on businesses throughout 2021.

The International Monetary Fund (IMF) predicts that the global GDP growth will be 3.3% in 2020 and 3.4% in 2021. Recovering commodity prices, after a significant decline in the historic period is further expected to aid the market growth. Developed economies are also expected to register stable growth during the forecast period. Additionally, emerging markets are expected to continue to grow slightly faster than the developed markets in the forecast period. Thus, stable economic growth is expected to drive the market during the forecast period.

Source - Hospitality Global Market Report 2021

https://www.reportlinker.com/p06018958/Hospitality-Global-Market-Report-COVID-19-Impact-and-Recovery-to.html?utm_source=GNW



The domestic hospitality industry, which has been severely affected by the COVID-19 related disruptions with massive operating and net losses, wiping out the cumulative profits of the four past years, according to a report provided by rating agency ICRA. It also observed that pan-India occupancy hit an all-time low of 18-20 per cent in eight months of the financial year 2021, down from 64-65 per cent in the previous year.

The situation is still evolving, with numerous headwinds as seen with the restart of crowd control and lockdowns, increasing India's COVID cases and globally.

The average room rates (ARR)s was at Rs 3,400-3,500 per night, a discount of 35-40 per cent, while the RevPAR declined by about 80 per cent during the period under consideration. Although some sequential improvement has been witnessed since September 2020, recovery is slow and arduous, punctuated by setbacks, this will culminate in a weak financial year 2021.

We expect FY21 RevPAR to decline by 70-75 per cent pan-India and close at Rs 900-1,000 per night. It will continue to be impacted by the lockdown, travel restrictions because of the virus spread. "FY22 will see the industry witnessing over 120 per cent growth in revenues and operating margins clawing up to 13-15 per cent supported by pick-up in revenues and some continued benefits of the large-scale cost rationalization measures undertaken during the pandemic, particularly in staffing.

However, to put these growth numbers in perspective, the optically high growth numbers for financial year 2021-22 will only place the industry on a recovery path to pre-COVID levels in 2-3 years. The recovery is expected to pre-COVID levels in financial year 2023-2024, Since October 2020, there has been a sequential improvement in occupancy across all the key markets driven by improvement in leisure travel but has been worsed by the second wave of Covid-19.

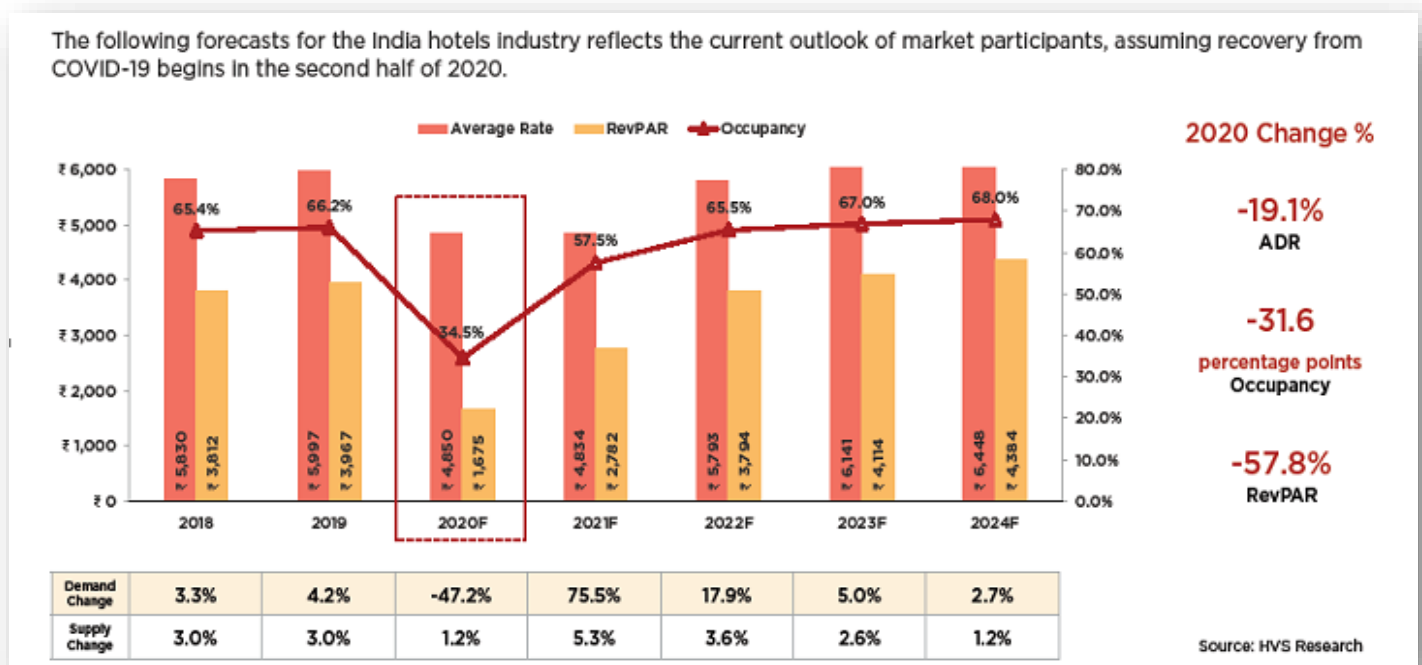
This apart staycation or workcations and social MICE filled some rooms. With closed international borders, foreign tourist arrivals are likely to stay muted well into 2021; Domestic tourism expected to recover faster, aided by the diversion of outbound leisure travel to domestic tourism.

Nevertheless, the absence of corporate travel and big-box MICE events will cap recovery for most of the hotels in large cities, it opined. Hotels have enforced sharp cost control in financial year 2021, including a 39 per cent reduction in employees' costs during H1 financial year 21, letting go of contract employees, enforced pay cuts, and mandatory leave encashment.

Overall costs shrank by 54 per cent, while revenues fell by 80 per cent in H1 financial year 2021, it stated, adding that interest costs, however, stayed mostly sticky. In H2 financial year 2021, the industry will witness a sequential growth in revenues while staying profoundly negative at over 60 per cent of previous year levels.

Source - ICRA

<https://www.businesstoday.in/current/economy-politics/india-hospitality-industry-to-shrink-by-65-in-fy21-icra/story/427768.html>



RISK GOVERNANCE:

The number of risks that our sector is dealing with is on the rise. Hospitality sector faces a variety of potential risks that hotels need to contend with, particularly as they deal with an influx of both leisure and business travelers. Rapidly changing customer demands and a boom in guest-facing connected technologies are among

the factors changing the risk landscape for hospitality companies. Following are risk identified and steps taken to mitigate them:

1. Business slowdown, Inadequate growth and Negative returns

After the pandemic Covid-19, the risk of business slowdown, inadequate growth and negative returns has been increased. Especially our industry has been the most affected one which has turned the growth chart downwards. We have identified four steps—next-generation talent models, data-driven decision making, customer loyalty, and operational flexibility and responsiveness to map out the kind of readiness that's likely to help our business even in a coming downturn. What's left to determine is the path from theory to action which we are working on.

2. Cyber Security

Cybersecurity has been a big concern for a number of sectors, but the hospitality business is more focused on preventing data and identify theft. A security breach has huge ramifications. At the very least, businesses are required to contact other guests (past and present) and inform them that their data may have been compromised. This alone can be costly and may also lead to brand damage. If stolen data is used by fraudsters, the businesses may face liability claims for failure to protect data and maintain reasonable safeguards. As more hospitality and travel companies use digital systems to automate tasks and manage their data, we are identifying the potential risks and putting all efforts to bring their solution to the table.

3. Inadequate Compliances

As the regulations proliferate and stakeholder expectations increase, organizations are exposed to a greater degree of compliance risk than ever before. Specifically, compliance risk is the threat posed to a company's financial, organizational, or reputational standing resulting from violations of laws, regulations, codes of conduct, or organizational standards of practice. Since the array of potential compliance risks facing an organization is typically very complex, we are adopting an effective framework which outlines and organizes the elements of an effective risk mitigation strategy that can be applied to each compliance risk domain.

4. Guest behavior

In hospitality industry, Guests represent the fuel, without guests and travelers, our business wouldn't make any money. However, guests can also potentially be the biggest threats – both directly and indirectly – to profitability. Lawsuits from people who are injured or damage to guestrooms can represent a big risk to the bottom line. We have internal controls in place to handle guest destruction and ensure travelers' safety during their stay. Small things, such as closer management of property and resources, helps in preventing incidents like this from happening in the first place.

5. Staff

Staff is another critical risk. During the pandemic, many employees were rooted in their jobs because it was so difficult to find work elsewhere. As the situation improves, staff will have more options both in and outside the industry. This means hotels are at greater risk of having their key personnel poached by their competitors. Hiring and retraining are options, but they come with additional expenses.

We need to address any demographic, wage level and worker satisfaction issues to ensure that our staff remains motivated and content. New retention plans and innovative strategies help in keeping employees engaged. At the same time, we ensure that our employees aren't actively working against us. Property theft is a big issue at many

hospitality companies, given the number of amenities they deal with on a daily basis. While a stolen towel might not seem like much, theft adds up over the course of the year.

6. Branding

As the hotel industry has consolidated, operators' brands have expanded into a vast number of territories, and are often instantly recognizable to customers. Therefore, it is of vital importance to operators that the brand is protected in every unit. Hence, we ensure that high and consistent standards are maintained throughout all locations, which is challenging due to the geographical distance separating each establishment. We reduce this risk by establishing strong brand guidelines which are communicated effectively to staff in all Units.

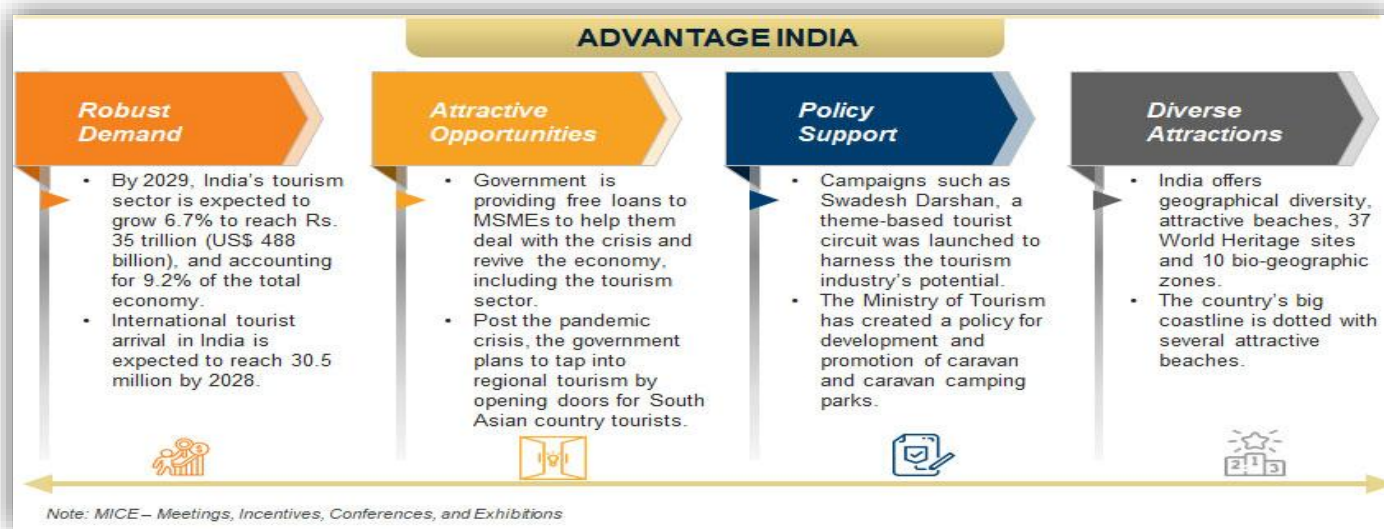
Brand protection may equally involve the need to enforce intellectual property rights. Any infringement by an inferior brand may affect customer's perception of our brand. Hence, we ensure that all rights are appropriately registered and regular intellectual property audits are carried out, if standards are not maintained.



Government Initiatives:

The Indian Government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives planned by the Government of India to boost the tourism and hospitality sector of India, which will help us to grow as well as recover from this pandemic Covid-19, are as follows:

- On November 4, 2020, the Union Minister of State (I/C) for Tourism & Culture, Mr. Prahlad Singh Patel inaugurated the “Tourist Facilitation Centre” facility constructed under the project “Development of Guruvayur, Kerala” (under the PRASHAD Scheme of the Ministry of Tourism).
- The Ministry of Tourism’s ‘Dekho Apna Desh’ webinar series titled ‘12 Months of Adventure Travel’ on November 28, 2020, is likely to promote India as an adventure tourism destination.
- In October 2020, Prime Minister Mr. Narendra Modi inaugurated four new tourist attractions in Gujarat namely, Arogya Van, Ekta Mall, Children's Nutrition Park and Sardar Patel Zoological Park/ Jungle Safari, near the Statue of Unity at Kevadiya in Narmada district.
- The initiative is a part of 17 new projects that are planned. Additionally, the government will also launch seaplane service from Ahmedabad to Statue of Unity in a major push to India’s tourism.
- The Ministry of Tourism developed an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry) by partnering with the Quality Council of India (QCI) in October 2020. The initiative will effectively implement guidelines/SOPs issued with reference to COVID-19 for safe operations of hotels, restaurants, B&Bs and other units.
- Prime Minister, Mr. Narendra Modi urged people to visit 15 domestic tourist destinations in India by 2022.
- Government of India is working to achieve one% share in world's international tourist arrivals by 2020 and 2% share by 2025.
- Under Budget 2020-21, the Government of India has allotted Rs. 1,200 crore (US\$ 171.70 million) for development of tourist circuits under Swadesh Darshan for eight Northeast states.
- Under Budget 2020-21, the Government of India has allotted Rs. 207.55 crore (US\$ 29.70 million) for development of tourist circuits under PRASHAD scheme.



Source: <https://www.ibef.org/industry/tourism-hospitality-india.aspx>

Discussion on financial performance with respect to operational performance:

- The Company’s Total Revenue was 7517.18 Lakhs in 2020-21 as compared to Rs. 20969.43 Lakhs in the previous year, a decrease of about 64.15%
- Earnings Before Interest, Depreciation, Taxes, Amortizations and Exceptional Items (EBIDTA) was 1945.29 Lakhs as compared to Rs. 5156.97 Lakhs, a decrease of about 62.28 %.

- Profit before Tax was (2668.69) Lakhs as compared to Rs. (376.68) Lakhs in the previous year, a decrease of about 708.47%.
- The Net Loss for the year was (2173.95) Lakhs as compared to Rs. (179.56) Lakhs in the previous year, an increase of about 1210.71 %.
- Total comprehensive income was 103.87 Lakhs as against Rs. 4.22 Lakhs in the previous year, an increase of about 2461.38%.
- The Cash and cash equivalent as at 31st March, 2021 was Rs. 325.16 Lakhs as against Rs. 365.78 Lakhs in the previous year, a decrease of about 11.11%.
- The Company continuously trying to improve the cash flow by applying the various techniques as lease/management contract instead of buying of the property, improving inventory management, improvement in debtors ageing and encouragement to electronic payments etc.
- The Revenue and Profitability would have been higher if the second wave of the COVID-19 pandemic in the 4th quarter of the Financial Year has not been there.
- The Company and the Hotels have taken various initiatives to protect the Health and Safety of Guests and Employees. All precautions based on World Health Organization Guidelines and directions of the Central and State Governments have been implemented and are being strictly adhered to.
- The detailed Financial and Operational Performance present in notes to accounts for the financial year 2020-21 which forms a part of this Annual Report.

Details of changes in key financial ratio & return on net worth

The key financial ratios of the Company where there has been significant change (25% or more) and change in Return on Net Worth are summarized below along with detailed explanation:

| Particulars | 2020 (%) | 2021 (%) | % of Change | Detailed explanation, if there is any significant change |
|--------------------------|----------|----------|-------------|---|
| Debtors Turnover Ratios | 7.49 | 2.70 | -63.95 | The significant changes in some of the ratios is due to effect on sales and operations as a result of outbreak of Covid-19. |
| Inventory Turnover Ratio | 4.59 | 0.88 | -80.83 | |
| Interest Coverage Ratio | 0.65 | 0.96 | 47.69 | |
| Current Ratios | 0.80 | 0.70 | -12.50 | |
| Debt Equity Ratios | 2.74 | 3.57 | 30.29 | |
| Operating Profit Margin | 10.00 | -7.98 | -179.80 | |
| Net Profit Margin | 0.84 | -24.94 | -3069.05 | |
| Return on Net Worth | -2.38 | -36.09. | -1416.39 | |

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| S. No. | Particulars | Details |
|--------|---|---|
| 1 | Corporate Identity Number (CIN) of the company | L51100TN1982PLC124332 |
| 2 | Name of the Company | Sayaji Hotels Limited |
| 3 | Registered address | F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram Chennai TN 600117 IN |
| 4 | Website | www.sayajihotels.com |
| 5 | E-mail id | cs@sayajigroup.com |
| 6 | Financial Year reported | April 1, 2020 – March 31, 2021 |
| 17 | Sector(s) that the Company is engaged in (industrial activity code-wise) | 551- Short Term Accommodation activities 561- Restaurants and mobile food service activities |
| 8 | List three key services that the company provides: | Rooms Food and beverage services Other Services |
| 9 | Total number of locations where business activity is undertaken by the Company | a. Number of International - Nil b. Number of National Locations – 9 |
| 10 | Markets served by the Company - Local / State / National / International: | National: Pune, Raipur, Vadodara, Indore, Bhopal and Rajkot, Kolhapur, Gurugram, Morbi. |

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2021

(In Lakhs)

| S. No | Particulars | FY 2020-21 |
|-------|--|----------------|
| 1 | Paid up capital (INR) | 2751.80 |
| 2 | Total turnover (INR) | 8299.04 |
| 3 | Total profit after taxes | (2,173.95) |
| 4 | Total spending on Corporate Social Responsibility (CSR) | Not Applicable |
| 5 | List of activities in which expenditure in 4 above has been incurred | Not applicable |

SECTION C: OTHER DETAILS

| S. No | Particulars |
|-------|---|
| 1 | Does the Company have any Subsidiary Company / Companies? |

Yes. The Company has 4 Subsidiaries and 1 Associate Company as at March 31, 2021 details of which is present in this Annual Report.

2 **Do the Subsidiary company / companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

No

3 **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?**

No

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

The Board has delegated the powers to oversee the implementation of the Policy to Audit Committee and the members of the Committee are responsible for the same.

| S. No. Particulars | | | |
|--|-----------------------------|--|----------|
| (a) Details of the Director responsible for implementation of the BR policy | | | |
| S. No. | Name | Designation | DIN |
| 1 | Mr. T.N .Unni | Independent Director | 00079237 |
| 2 | Mrs. Suchitra Dhanani | Whole Time Director | 00712187 |
| 3 | Mr. Saquib Salim Agboatwala | Independent Director | 06611659 |
| 4 | Mrs. Isha Garg | Independent Director | 06803278 |
| 5 | Mr. Abhay Chaudhari | Independent Director | 06726836 |
| (b) Details of the BR head | | | |
| 1. | DIN Number | 00712187 | |
| 2. | Name | Suchitra Dhanani | |
| 3. | Designation | Whole Time Director | |
| 4. | Telephone Number | 0731-4750007 | |
| 5. | Email | suchitra.dhanani@sayajigroup.com | |

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility. These are asunder:

| S. No. | Principles |
|--------|--|
| P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. |
| P3 | Businesses should promote the well-being of all employees |
| P4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those |

who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect, protect, and make efforts to restore the environment.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

P2 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P3 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

(a) Details of compliance

| S. No | Particulars | P1-P9 |
|-------|---|--|
| 1. | Do you have a policy / policies for? | Yes, we have policy for all the principles. |
| 2. | Has the policy been formulated in consultation with the relevant stakeholders? | Yes, all the policies have been formulated in consultation with the relevant stakeholders. |
| 3. | Does the policy conform to any national/ International standards? If Yes, Specify. | Yes, the Business Responsibility Policy (“BR Policy) conforms to the Business Responsibility Reporting (BRR) requirement of the LODR Regulations, 2015 and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate accordance with Global Reporting Initiative (GRI) standards and is externally assured. The other policies are in accordance with applicable Statutory laws and confirm to industry benchmarks. |
| 4. | Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director? | Yes, all the policies has been signed by the Managing Director or appropriate Board member. |
| 5. | Does the company have a specified committee of the Board/Director / Official to oversee the implementation of the policy? | Yes, Audit Committee is of the Board is there to oversee the implementation of the BR policy. |
| 6. | Indicate the link for the policy tab viewed online? | The above policies can be located on this link: https://www.sayajihotels.com/investors/ |

| | |
|---|--|
| 7. Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes, the policy has been formally communicated to all the relevant internal and external stakeholders through the official website of the Company at https://www.sayajihotels.com/ |
| 8. Does the company have in-house structure to implement the policy/policies? | Yes, the company have Audit Committee to implement the Policies for all the principles. |
| 9. Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Yes the company have a grievance redressal mechanism to address stakeholders' grievances, contact details of which is present at the website of the Company at https://www.sayajihotels.com/ |
| 10. Has the company carried out independent audit /evaluation of the working of this policy by an internal or external agency? | The implementation of the BR Policy is being evaluated internally by the Company. |

(b) If answer to Sr. No. 1 - 10 against any principle, is 'No', please explain why:

| S. No | Particulars | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-------|---|----|----|----|----|----|----|----|----|----|
| 1. | The Company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles | - | - | - | - | - | - | - | - | - |
| 3. | The Company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4. | It is planned to be done within next six months | - | - | - | - | - | - | - | - | - |
| 5. | It is planned to be done within next one year | - | - | - | - | - | - | - | - | - |
| 6. | Any other reason (please specify) | - | - | - | - | - | - | - | - | - |

3. Governance related to BR

| S. No | Particulars |
|-------|--|
| (a) | <p>Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?</p> <p>The Board of directors, Chief Financial Officer and Company Secretary of the Company jointly and severally assess the BR performance of the Company on Annual Basis.</p> |

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, the Company publishes its Business Responsibility Report as a part of Annual Report on annual basis. This report can be accessed through link: <https://sayajihotels.com/investors/> under Annual Report tab.

SECTION E: PRINCIPLE-WISE PERFORMANCE

❖ Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Sayaji believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Code of Conduct and policies were framed by keeping this points in mind. Following questions are related to Principle-1:

| S. No | Particulars |
|-------|---|
| (a) | <p>Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/ Contractors / NGOs / Others?</p> <p>No, it extends to all the group companies and other stakeholders of Sayaji.</p> |
| (b) | <p>How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so.</p> <p>There were no complaints received by the Company in the past financial year.</p> |

❖ Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Being in Hospitality Industry, we assure safety and optimal utilization of the resources, contribute to sustainability throughout their life cycle and ensures that everyone connected with it and are aware of their responsibilities whether its designers, producers, value chain members or customers. Following questions are related to Principle-2:

| S. No | Particulars |
|-------|--|
| 1 | <p>List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</p> <p>Sayaji is a provider of rooms, Foods & Beverages and other supportive services. Our strategy is to make:</p> <ol style="list-style-type: none"> Efficient and sustainable utilization of resources throughout the life cycle Awareness among customers of their rights Promote sustainable consumption, including recycling of resources Business, customers and surroundings sustainable <p>We endeavor to integrate measures entailing energy and water conservation, waste management, culturally and regionally sensitive designs and interiors of our hotels, responsible purchases from local and marginalized entrepreneurs, artisans and craftsmen, and local hiring.</p> |

These are implemented right from the development stage to operations of key hotels, particularly in ecological and socially sensitive regions.

2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:

The consumption of energy, water and other resources in our hotels is measured per guest night, in terms of usage per consumer. The Company focuses on optimizing resource consumption to avoid wastages and minimize our environmental impact.

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

We aim at discerning the inefficient areas of our business and implement procedures that will optimize its procedures for maximum efficiency and profitability.

Apart than this, we focus that the steps implemented to improve resource efficiency and strengthen sustainability in the development and operation of our hotels includes usage of advance laundry chemical, chiller plant optimization which increases energy efficiency, installing flameless burners and opting glass water bottles.

Further, we encourage the use of building materials that are recycled and locally extracted or manufactured wherever possible. During the construction process, we ensure that waste and debris is diverted from the landfills and send to certified recycling agencies.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Yes, as result of the conservation initiatives undertaken by the Company, there was a reduction in electricity and water consumption during the financial year 2020-21 as compared to previous year.

3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company takes following measures implemented for sustainable resourcing:

- We use Solar energy which helps in controlling the global warming and other environmental problems related to it and also cost effective.
- We have adopted various measures to avoid food wastage, which is one of the major concern among Hotel fraternity, by dedicating few staff to keep a check on the food wastage. Through this we have reduced our food wastage to 80% past some years.
- We ensure that the Hotel premises is surrounded by Greenery and takes all measures to maintain a small green belt around out hotel units.
- We aim in optimizing use of paper and working towards digitization and paperless culture.
- We use Segmentation, Targeting and Positioning (STP) model in our Hotel Units.
- We encourage our guests to adopt environment conscious practices.
- We use unified warehousing and distribution management system which made its sourcing and distribution more efficient.
- We focus on improving our supply chain efficiency in order to lower carbon footprints and stock inventories.
- We ensure optimization of logistics by serving the hotel needs through regional hubs.

- 4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, Sayaji encourages its hotels to source local produce from small scale farmers, marginalized vendors, women self-help groups, micro enterprises supporting differently abled and owned by socially backward communities.

- 5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.**

During the year under review, more than 50% of wet waste produced by the Company and used water was recycled. All e-waste generated in our properties is given to certified recyclers. The Company encourages resource efficiency in the supply chain and its partners to adopt sustainable practices.

❖ Principle 3

Businesses should promote the well-being of all employees

Sayaji believes in providing a safe, hygienic and humane environment at the workplace which upholds the dignity of the employees. During the year under review, Sayaji has achieved honor of becoming one of the top 50 Best Workplace for women and top 10 Best place to work in India. We also strive to provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation. Following questions are related to Principle-3:

S. No Particulars

- 1 Please indicate the Total number of employees.**

As on 31st March, 2021, the Company has total 1150 employees out of which 788 are permanent and 362 are on contractual basis.

- 2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

During the year under review, the Company hired 362 temporary/contractual/casual employees.

- 3 Please indicate the Number of permanent women employees**

As on 31st March, 2021, the Company has 90 permanent women employees.

- 4 Please indicate the Number of permanent employees with disabilities.**

The declaration of disability is voluntary on the part of the employee. The Company has 4 permanent employees with disabilities as on 31st March, 2021.

- 5 Do you have an employee association that is recognized by management.**

No such association is there in the Company which is recognized by management.

- 6 What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable

7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year 31st March, 2021?

No complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment has been received during the financial year 2020-21 and no complaint has been pending, as on the end of the financial year 31.03.2021.

8 What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

Being in Hospitality Industry, our work exhibits diversity in both horizontal and vertical terms. Hence, the Company strives to ensure continuous skill and competence upgrading of all employees by providing learning opportunities, on an equal and non-discriminatory basis. During the year under review, following percentage of safety and skill upgradation training are given to:

| | |
|--|------|
| Permanent Employees | 77% |
| Permanent Women Employees | 85% |
| Casual/Temporary/Contractual Employees | 68% |
| Employees with Disabilities | 100% |

❖ Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Company has identified its various stakeholders, worked for understanding their concerns, defined purpose and scope of engagement, and committed to engage with them. The Company looking forward to provide special attention to underdeveloped stakeholders to greatest possible extent and for resolution of differences with stakeholders in a just, fair and equitable manner. Following questions are related to Principle-4:

S. No Particulars

1 Has the company mapped its internal and external stakeholders?

Yes

2 Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes

3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, our properties are designed in a manner that they are conducive to be used by differently abled persons. Every Hotel has a separate area which is designed to suit physically challenged persons.

❖ Principle 5

Businesses should respect and promote human rights

Human rights are the basic rights and freedoms that belong to every person in the world, from birth until death. Sayaji promotes the awareness and realization of human rights across their value chain. We recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups. Following questions are related to Principle-5:

| S. No | Particulars |
|-------|-------------|
|-------|-------------|

- | | |
|---|--|
| 1 | Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs /others? |
|---|--|

The Policy is applicable to the Company, its Subsidiaries, group companies and all other stakeholders.

- | | |
|---|--|
| 2 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved? |
|---|--|

No complaints relating to principle 5 has been received during the financial year 2020-21 and no complaint has been pending, as on the end of the financial year 31st March, 2021

❖ **Principle 6:**

Businesses should respect, protect, and make efforts to restore the environment

The Company is continuously persuading to improve its environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy. We are proactively encouraging our value chain to adopt this principle to the greatest possible extent. Following questions are related to Principle-6:

| S. No | Particulars |
|-------|-------------|
|-------|-------------|

- | | |
|---|--|
| 1 | Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. |
|---|--|

The Policy related to principle 6 is applicable to the Company, its Subsidiaries, group companies and all other stakeholders. Every hotel unit of the Company adheres to the Company's policy towards environmental vision.

- | | |
|---|---|
| 2 | Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc. |
|---|---|

Yes, the Company have strategies to address global environmental issues such as climate change, global warming, etc. in its BR Policy which can be accessed through the link www.sayajihotels.com. The Company endeavors to utilize natural and manmade resources in an optimal and responsible manner and ensures the sustainability of resources by reducing, reusing, recycling and managing waste.

- | | |
|---|--|
| 3 | Does the company identify and assess potential environmental risks. |
|---|--|

Yes, the Company identify and assess potential environmental risks and have proper mechanism to minimize the same.

- | | |
|---|---|
| 4 | Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? |
|---|---|

No, but the Company is continuously working on keeping its environment clean and healthy through various mechanism and policies.

- | | |
|---|---|
| 5 | Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. |
|---|---|

No.

- | | |
|---|---|
| 6 | Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? |
|---|---|

Yes, we comply with all applicable environmental legislations in the locations we operate from. We monitor and track all parameters as defined by CPCB or SPCBs and ensure they are maintained within norms.

7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices have been received from CPCB/SPCB which are pending as on the end of the financial year 31st March, 2021.

❖ **Principle 7**

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Sayaji believes that it is our responsibility to help build a better business environment and thus a better world with opportunities for everyone. In an effort to drive advocacy, we have been part of Federation of Hotels and Restaurants Association of India. Following questions are related to Principle-7:

| S. No | Particulars |
|-------|---|
| 1 | Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with: Federation of Hotels and Restaurants Association of India (FHRAI) |
| 2 | Have you advocated / lobbied through above associations for the advancement or improvement of public good? Y / N. If yes, specify the broad areas No such initiative has been taken by the Company yet but we strive to ensure that our advocacy positions are consistent with the Principles and Core Elements of FHRAI. |

❖ **Principle 8**

Businesses should support inclusive growth and equitable development.

The Company understands impact of its activities on social and economic development, and provide response accordingly through appropriate action to minimize the negative impacts. We invest in products, technologies and processes that promote the wellbeing of society. Following questions are related to Principle-8:

| S. No | Particulars |
|-------|---|
| 1 | Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof? The Company supports inclusive growth and overall development of societies and human capabilities. We empower our employees to become responsible citizens through volunteering and we will continue to strive towards inclusive growth and community development. But not specified program has been set up for this. |
| 2 | Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? No |
| 3 | Have you done any impact assessment of your initiative? No |

4 What is your company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

As Company has loss for year ended 31st March, 2021 no compulsion for such contribution arises.

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Not Applicable.

❖ Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sayaji Believes that customer-focused excellence demands constant sensitivity to changing and emerging customer requirements and close attention to the voice of the customer. While serving the needs of our customers, we take into account the overall wellbeing of the customers and that of society. Following questions are related to Principle-9:

S. No Particulars

1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No customer complaints/consumer cases are pending as on the end of F. Y. 31st March, 2021.

2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

The Company is in Hospitality sector and provides services to the customers. We provide service information to our customers as per the Statutory and local laws.

3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

We have various mechanisms to receive and address complaints from stakeholders related to compliance, corruption or bribery. As of March 31, 2021, no stakeholder has filed any case against the Company, nor are any cases pending regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior.

4 Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, we interact with our clients on a regular basis and across multiple platforms. Along with this, we have a separate Guest Satisfaction Index Department for the same. In addition to various client interactions, we have adopted a formal and robust approach to understand the client’s expectations and needs in order to make their experience more personalized.

REPORT ON CORPORATE GOVERNANCE

[(In compliance, with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Director's present the Company's Report on Corporate Governance for the year ended on 31st March, 2021

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- Your Company's corporate governance philosophy revolved around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. This philosophy is backed by principles of concerns, commitment, Ethics, Excellence and learning in all its acts and relationships with stakeholders, clients, associates and community at Large. The Company believes that good Corporate Governance is a continuous process and strives to meet the shareholder's expectations.
- To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. The corporate governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct, Whistle Blower Policy and Code for Prohibition of Insider Trading and such other policies. We have summarized the same in this Corporate Governance Report.
- Your Company not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed by the country.
- The year under review saw challenging times for the Company as well as for the world at large due to the impending COVID-19 pandemic. The situation continues to be exceptional and dynamic. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) promptly announced many relaxations with respect to the compliance requirements for various Sections/ Regulations to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and dispensations granted by the MCA and SEBI, inter alia, for conduct of Annual General Meeting through electronic mode and dispatch of Annual Report electronically to shareholders who have registered their email addresses. These relaxations are noteworthy.

The Company is compliant with the updated provisions stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") as amended from time to time.

BOARD OF DIRECTORS

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the country.

The Board of Directors have the ultimate responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance

practices. The Board plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This is reflected in the Company's governance practices, through which it strives to maintain an active, informed and independent Board. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. The Board is entrusted with the ultimate responsibility of the management, general affairs direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

❖ **Composition and Category of Directors:**

The Board of Directors of your Company consists of an optimum combination of Executive and Non-Executive Directors. The composition of the Board consists of a fine blend of professionals from diverse backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights.

As 31st March, 2021 the Board has six directors out of which Two are Executive Directors and four are Non-Executive Independent Directors i.e., more than half of the Board comprises of Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act and represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The names and categories of the Directors on the Board as on March 31, 2021 are given herein below:

| S. No. | Name of the Director | Category |
|--------|---------------------------------|---|
| 1. | Mr. Thottappully Narayanan Unni | Chairman & Non-Executive Independent Director |
| 2. | Mr. Raof Razak Dhanani | Managing Director (Promoter Director) |
| 3. | Mrs. Suchitra Dhanani* | Whole-Time Director (Promoter Director) |
| 4. | Mr. Saquib Salim Agboatwala | Non-Executive Independent Director |
| 5. | Mr. Abhay Chintaman Chaudhari** | Non-Executive Independent Director |
| 6. | Mrs. Isha Garg*** | Non-Executive Independent Director |

* Mrs. Suchitra Dhanani has been reappointed in the Annual General Meeting held on December 27, 2020 for a period of 3 years with effect from 06.02.2020 to 05.02.2023.

** Mr. Abhay Chintaman Chaudhari was appointed as an Additional Director (Non-Executive Independent category) with effect from January 23, 2021.

*** Mrs. Isha Garg was appointed as an Additional Director (Non-Executive Independent category) with effect from August 27, 2020 and appointed as a Non-Executive Independent Director in the Annual General meeting held on December 27, 2020.

In the opinion of Board, based on the best of information and according to the declaration of non-disqualification received from independent director, All the Independent Directors as on 31.03.2021 fulfills the conditions specified in SEBI (LODR) Regulation and are independent of the management.

❖ **Detailed reason for the Resignation of Independent Directors**

Mr. Abhay Chintaman Chaudhari, an Independent Director, through the Resignation Letter dated 18th April, 2020 resigned from the post of Independent Director in the Board of the company due to personal reasons and further confirmed that there was no material reasons other than that provided.

❖ Board Meeting:

During the year under review, the Board of the Company met 8 times. Due to impact of Covid-19, the mandatory requirement for holding meetings of the Board of the companies within the intervals of 120 days as provided in section 173 of the Companies Act, 2013 was extended by a period of 60 days for two quarters i.e., till 30th September, 2020. Accordingly, the gap between two meetings of the Board may extend to 180 days and the meetings on matters referred to in sub-rule (1) of Companies (Meetings of Board and its Powers) Rules, 2014 may be held through video conferencing or other audio visual means in accordance with rule 3.

Meetings were usually held at Corporate office of the Company at Amber Convention Center, Bypass Road, Near Best Price, Hare Krishna Vihar, Nipania, Indore, 452016.

The Board business generally includes consideration of important corporate actions and events including:

- Approval of quarterly and annual results;
- To borrow monies;
- Appointment of Key Managerial Personnel;
- Oversight of the performance of the business;
- Review the functioning of Subsidiaries of the company;
- Review of the functioning of the Committees;
- Other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations.

The following are the details of attendance of each director at the meetings of the board of Director and the last Annual General Meeting along with the dates on which it was held:

| Name of Director | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 37 th AGM held on 27 th Dec., 2020 |
|-----------------------------|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---|
| | 30 th July, 2020 | 27 th Aug., 2020 | 15 th Sept., 2020 | 13 th Nov., 2020 | 03 rd Dec., 2020 | 12 th Dec., 2020 | 23 rd Jan., 2021 | 13 th Feb., 2021 | |
| Thottappully Narayanan Unni | P | P | P | P | P | P | P | P | P |
| Raof Razak Dhanani | P | P | P | P | P | P | A | P | A |
| Suchitra Dhanani | P | A | A | A | A | A | A | P | A |
| Saquib Salim Agboatwala | P | P | P | P | P | A | P | P | A |
| Abhay Chintaman Chaudhari | - | - | - | - | - | - | - | P | - |
| Isha Garg | - | P | P | P | P | P | P | P | - |
| P | Present in the meeting | | | | | | | | |
| A | Absent in the meeting | | | | | | | | |
| - | Not applicable | | | | | | | | |

❖ Number of Directorship or Committees membership as on 31.03.2021

| <u>Name of Director</u> | <u>No. of other directorship excluding Savaji Hotels Ltd.</u> | <u>No. of Membership in other Board Committee*</u> | <u>No. of Chairmanship in other Board Committee*</u> | <u>Category of Directorship and name of the other Listed companies</u> |
|-------------------------|---|--|--|--|
| | | | | |

| | | | | |
|-----------------------------|----|---|---|---|
| Thottappully Narayanan Unni | 5 | 5 | 2 | - |
| Raof Razak Dhanani | 14 | 0 | 0 | - |
| Suchitra Dhanani | 10 | 3 | 0 | - |
| Saquib Salim Agboatwala | 3 | 3 | 0 | - |
| Abhay Chintaman Chaudhari | 4 | 4 | 0 | - |
| Isha Garg | 1 | 2 | 0 | - |

**Only Audit Committee & Stakeholders Relationship Committee has been considered as per Listing Regulations.*

❖ Disclosure of relationship between directors inter-se:

| Name | Relationship | Name of other Director in inter-se relationship |
|------------------------|-----------------|---|
| Mr. Raof Razak Dhanani | Brothers' wife | Mrs. Suchitra Dhanani |
| Mrs. Suchitra Dhanani | Brother-in -Law | Mr. Raof Razak Dhanani |

❖ Number of shares held by Non-Executive Directors:


| S. No. | Name of the Director | Number of Shares held |
|--------|---------------------------------|-----------------------|
| 1. | Mr. Thottappully Narayanan Unni | 0 |
| 2. | Mr. Saquib Salim Agboatwala | 0 |
| 3. | Mr. Abhay Chintaman Chaudhari | 0 |
| 4. | Mrs. Isha Garg | 0 |





❖ Familiarization Programmes Imparted to Independent Directors

The details of familiarization program along with the link of the website where its details are disclosed is given in the Board Report forming part of this Annual Report.

❖ Chart setting out the Skills/ Expertise / Competence of the Board of Directors

Given below is a list of core skills, expertise and competencies of the individual Directors:

| S. No | Name of the Directors | Photo | Date of Appointment | Skills/ Expertise and competencies of Director |
|-------|---|---|---------------------|--|
| 1. | Thottappully Narayanan Unni (DIN-00079237) |  | 31/01/2002 | Mr. T.N. Unni aged 82 Years, having wide experience and knowledge in accounts, taxation, Corporate Governance etc. is a practicing Chartered Accountant by profession and the Chairman of the Board of Company as well as of Audit and Stakeholders Relationship Committee of the company. |

| | | | | |
|----|---|---|------------|---|
| 2. | Raof Razak Dhanani (DIN-00174654) |  | 14/11/2013 | <p>Mr. Raof Dhanani aged 57 years, is <i>Managing Director</i> and also the Promoter of our Company. He holds a degree of Bachelor. He has over 8 years' experience of Hospitality industry.</p> <p>He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.</p> |
| 3. | Suchitra Dhanani (DIN-00712187) |  | 06/02/2014 | <p>Mrs. Suchitra Dhanani aged 56 years, is the Whole Time Director of our Company. She holds bachelor's degree in Home science and qualified as Master in Social Works.</p> <p>She has a profound experience in taking care of Guest Satisfaction Index Department and training department of the Company and also involved in day to day matters of the Company.</p> |
| 4. | Abhay Chintaman Chaudhari (DIN-06726836) |  | 23/01/2021 | <p>Mr. Abhay Chintaman Chaudhari, aged 65 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> |
| 5. | Saquib Salim Agboatwala DIN-06611659 |  | 14/02/2019 | <p>Mr. Saquib Salim Agboatwala, aged 53 Years is a Chartered Accountant by profession. He has been President of the Jeddah Chapter of the Institute of Chartered Accountants of India and member of Saudi India Business Forum. He has wide experience in accounts and taxation.</p> <p>He had also been Finance Manager & Quality Management Representative in Arabian Computer Projects Company Limited. Currently he is serving as a Consultant and Business Advisors to their clients in India as well in overseas through his firm "Oasis Consulting".</p> |

| | | | | |
|----|---------------------------------|---|------------|---|
| 6. | Isha Garg** DIN- 06803278 |  | 27/08/2020 | Mrs. Isha Garg is Practicing Company Secretary by profession. She is also Master in Business Administration (MBA) and bachelor in Science (B.Sc.). She has knowledge and experience in delivering services broadly ranging in Corporate Laws Consultancy, Secretarial Audit Services, Compliance Report, NBFC Laws, Capital Markets & Securities Laws, Corporate Certifications, DGFT Matters, & Representation before various Statutory Authorities, etc. |
|----|---------------------------------|---|------------|---|

* Mr. Abhay Chintaman Chaudhari (DIN: 06726836) appointed on the board of company for the post of the Additional Director (Independent Category) w.e.f. 23rd January, 2021.

** Mrs. Isha Garg (DIN: 06803278) appointed on the board of company for the post of Women Independent Director w.e.f. 27th August, 2020.

BOARD COMMITTEES AND CHAIRMANSHIP/MEMBERSHIP OF DIRECTORS IN COMMITTEES OF THE COMPANY AS ON MARCH 31, 2021:

The Board 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.

| S. No. | Name of Directors/ KMP | Audit Committee | Nomination and Remuneration Committee | Corporate Social Responsibility Committee **** | Borrowing And Investment Committee | Stakeholders Relationship Committee | Scheme Implementation Committee |
|---|-----------------------------|-----------------|---------------------------------------|---|------------------------------------|-------------------------------------|---------------------------------|
| Executive Directors | | | | | | | |
| 1. | Raof Razak Dhanani | - | - | - | Member | - | Member |
| 2. | Suchitra Dhanani* | Member | - | Chairperson | Chairperson | Member | Member |
| Independent, Non-Executive Director(s) | | | | | | | |
| 3. | T.N. Unni | Chairman | Member | Member | - | Chairman | Member |
| 4. | Abhay Chintaman Chaudhari** | Member | Member | - | - | Member | - |
| 5. | Saquib Salim Agboatwala | Member | Chairman | Member | Member | Member | - |
| 6. | Isha Garg*** | Member | Member | - | - | Member | - |

| Key Managerial Personnel | | | | | | | |
|--------------------------|--------------------|---|---|---|---|---|--------|
| 7. | Sandesh Khandelwal | - | - | - | - | - | Member |
| 8. | Amit Sarraf | - | - | - | - | - | Member |

* Suchitra Dhanani was appointed in Audit and Stakeholders relationship committee w.e.f. 30th July, 2020.

** Mr. Abhay Chintaman Chaudhari was appointed in committees w.e.f. 13th February, 2021.

***Mrs. Isha Garg was appointed in committees w.e.f. 27th August, 2020.

****Corporate Social Responsibility Committee was dissolved on 30th June, 2021.

AUDIT COMMITTEE

❖ Brief Description of Terms of Reference:

The terms of reference of the Audit Committee satisfy the requirement of Section 177 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (LODR) Regulations.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Chairman of the Committee is financially literate and all other members of the Audit Committee have accounting or related financial management expertise. The Company Secretary of the Company acts as the Secretary of the Audit Committee.

The Audit Committee of the Company, inter alia, performs the following functions:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approving payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.
- Any other matter as may be prescribed, from time to time, to be referred to the Audit Committee in terms of the Companies Act 2013/ SEBI (LODR) Regulations and the applicable rules, regulations thereto.

❖ Composition, Meetings and attendance of the Audit Committee

During the year under review, the Audit Committee met Six (6) times on July 30, 2020, September 15, 2020, November 13, 2020, December 03, 2020, December 12, 2020 and February 13, 2021 with necessary quorum being present at all the meetings:

| Name of Member | Status | Category | No. of meetings attended |
|-----------------------------|----------|----------------------------|--------------------------|
| Mr. T.N. Unni | Chairman | Non- Executive Independent | 6 |
| Mrs. Suchitra Dhanani* | Member | Whole Time Director | 1 |
| Mr. Saquib Salim Agboatwala | Member | Non- Executive Independent | 5 |
| Mrs. Isha Garg** | Member | Non- Executive Independent | 5 |
| Mr. Abhay Chaudhari*** | Member | Non- Executive Independent | - |

* Inducted as member of the committee w.e.f. 30th July, 2020. ** Inducted as member of the committee w.e.f. 27th August, 2020. *** Inducted as member of the committee w.e.f. 13th February, 2021.

NOMINATION AND REMUNERATION COMMITTEE

❖ Brief Description of Terms of Reference:

The terms of reference of the Nomination & Remuneration Committee satisfy the requirement of Section 178 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI (LODR) Regulations and Securities.

The Nomination & Remuneration Committee of the Company, inter alia, performs the following functions:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of independent directors and the Board.
- Devising a policy on diversity of the Board.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal.
- Extension or continuance of the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance (including that of independent directors).
- Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act 2013 or by the SEBI (LODR) Regulations or by any other applicable law or regulatory authority.

❖ Composition, Meetings and attendance of the Nomination & Remuneration Committee

During the year under review, the Nomination & Remuneration Committee met 3 (three) times on August 27, 2020, January 23, 2021 and February 13, 2021 with necessary quorum being present at the meeting:

| Name of Member | Status | Category | No. of meetings attended |
|------------------------------|----------|----------------------------|--------------------------|
| Mr. Saquib Salim Agboatwala* | Chairman | Non- Executive Independent | 3 |
| Mr. T.N. Unni | Member | Non- Executive Independent | 3 |
| Mr. Abhay Chaudhari** | Member | Non- Executive Independent | - |
| Mrs. Isha Garg*** | Member | Non- Executive Independent | 2 |

* Appointed as Chairman of the committee w.e.f 30th July, 2020.

** Inducted as member of the committee w.e.f. 13th February, 2021.

*** Inducted as member of the committee w.e.f. 27th August, 2020.

❖ Performance Evaluation Criteria for Independent Directors:

Performance of Independent Director is evaluated on the basis of ranking filled in the evaluation questionnaire by the non-executive director which is prepared by inserting parameters mentioned below:

1. Knowledge and competency of Independent Directors
2. Extent of fulfillment of functions assigned
3. Ability to function as a team
4. Availability for various committee and board meeting
5. Various skills viz. leadership, commitment, contribution, Integrity, Initiative taken by them.
6. Formulation and effective execution of business strategy
7. Financial planning and performance during the year
8. Relationship of Independent director with the Board and third parties
9. Knowledge about the company and its succession plan, management and operations
10. Personal qualities of Independent Director which uplifts the growth of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee of the Board was constituted to oversee the CSR Policy and recommend and monitor the amount of expenditure to be incurred on the activities mentioned in the Schedule VII of the Act.

The terms of reference of the Corporate Social Responsibility Committee shall include the following:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013 and make any revisions therein as and when decided by the Board.
- b. To recommend the amount of expenditure to be incurred on the activities referred to in (a).
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. To do such other acts, deeds and things as may be required to comply with the applicable laws.
- e. To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act 2013 or by the SEBI (LODR) Regulations or statutorily prescribed under any other law or by any other regulatory authority.

❖ Composition, Meetings and attendance of the Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee was constituted with the following members in compliance with the provisions of Section 135 of the Companies Act, 2013.

During the Financial Year under review, no meeting of Corporate Social Responsibility Committee has been held.

| Name of Member | Status | Category | No. of meetings attended |
|-----------------------------|----------|----------------------------|--------------------------|
| Mrs. Suchitra Dhanani | Chairman | Whole-Time Director | N.A. |
| Mr. T.N. Unni | Member | Non- Executive Independent | N.A. |
| Mr. Saquib Salim Agboatwala | Member | Non- Executive Independent | N.A. |

Since the company ceases to be covered under subsection (1) of section 135 of the Act for three consecutive financial years it is not required to constitute a CSR Committee and comply with the provisions contained in section-135 of the Act till such time it meets the criteria specified in sub-section (1) of section 135 of the act. Hence the Board of the Company in its meeting held on 30th June, 2021 has dissolved its CSR Committee.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholder's Relationship Committee has been constituted in terms of Section 178 of the Act and Regulation 20 of SEBI (LODR) Regulations, for redressal of investor complaints, Shareholders related issues, transfer/transmission of securities etc.

The terms of reference of the Stakeholders Relationship Committee shall include the following:

- a. Monitoring the grievance and redressal of all security holders' grievances such as complaints related to non-receipt of allotment/refund, review of cases for refusal of transfer/transmission of shares, including non-receipt of share certificates, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints.
- b. Allotting of equity shares, giving effect to all transfer/ transmission of shares and debentures, dematerialization of shares and re-materialization of shares, splitting and issuing of duplicate/consolidated share certificates, complying with all the requirements related to shares, debentures and other securities from time to time.
- c. Reviewing statutory compliances pertaining to share/ security capital, processes, shareholders and depositories.
- d. Oversee the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.
- e. Review of measures taken for effective exercise of voting rights by shareholders
- f. Review of the adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Share Transfer Agent,
- g. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- h. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

❖ Composition, Meetings and attendance of the Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee was constituted with the following members in compliance with the provisions of Section 178 (5) of the Companies Act, 2013 and SEBI (LODR) Regulations.

During the year under review, one (1) meeting of Stakeholder's Relationship Committee has been held on 13th February, 2021 with necessary quorum being present at the meeting

| Name of Member | Status | Category | No. of meetings attended |
|-----------------------------|-------------|----------------------------|--------------------------|
| Mr. T.N. Unni | Chairperson | Non- Executive Independent | 1 |
| Mrs. Suchitra Dhanani | Member | Whole-Time Director | 1 |
| Mr. Saquib Salim Agboatwala | Member | Non- Executive Independent | 1 |
| Mrs. Isha Garg | Member | Non- Executive Independent | 1 |
| Mr. Abhay Chaudhari | Member | Non- Executive Independent | - |

❖ Name and Designation of Compliance Officer:

Mr. Amit Sarraf
Company Secretary and Compliance Officer

❖ Shareholders' Complaints:

The details of the shareholders' complaints received and resolved during the Financial Year 2020-21 are as follows:

| S. No. | Particular | Number of Complaints |
|--------|---|----------------------|
| a. | Number of shareholders' complaints received | 0 |
| b. | Number of complaints not solved to the satisfaction of shareholders | 0 |
| c. | Number of pending complaints | 0 |

BORROWING AND INVESTMENT 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.

- 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.

During the Financial Year under review, no meeting of Borrowing and Investment Committee has been held.

❖ Composition, Meetings and attendance of the Borrowing and Investment Committee

| Name of Member | Status | Category | No. of meetings attended |
|-----------------------------|-------------|---------------------------------|--------------------------|
| Mrs. Suchitra Dhanani | Chairperson | Executive & Whole-Time Director | N.A. |
| Mr. Raoof Razak Dhanani | Member | Executive & Managing Director | N.A. |
| Mr. Saquib Salim Agboatwala | Member | Non- Executive Independent | N.A. |

SCHEME IMPLEMENTATION COMMITTEE:

This Committee was specifically constituted to handle and manage the issues related to the 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.

The terms of reference of the Scheme Implementation Committee shall include the following:

- a. 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."
- 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.

❖ **Composition, Meetings and attendance of the Scheme Implementation Committee:**

| Name of Member | Status | Category |
|------------------------|--------|---------------------------------|
| Mr. Raof Razak Dhanani | Member | Executive & Managing Director |
| Mr. T.N. Unni | Member | Non- Executive Independent |
| Mrs. Suchitra Dhanani | Member | Executive & Whole-Time Director |
| Mr. Sandesh Khandelwal | Member | Chief Financial Officer |
| Mr. Amit Sarraf | Member | Company Secretary |

During the Financial Year under review, no meeting of Scheme Implementation Committee has been held.

REMUNERATION OF DIRECTORS

Criteria for making payments to Non-Executive Directors including all pecuniary relationship or transactions of Non- Executive Directors

The Independent Directors are not paid any remuneration other than sitting fees for attending the meetings of the Board and Committee meetings as approved by the Board.

There has been no pecuniary relationship or transaction of the Non-Executive Director vis-a-vis the Company during the year except sitting fees paid to them as detailed below:

(In Rs.)

| Name of Director | Category | Salary including Perquisites & PF | Sitting fees | Notice Period | Total |
|--------------------------------|---------------------------|-----------------------------------|--------------|---------------|-----------------|
| T.N. Unni | Independent Non-Executive | - | 1,10,000 | - | 1,10,000 |
| Saquib Salim Agboatwala | Independent Non-Executive | - | 97,500 | - | 97,500 |
| Abhay Chaudhari | Independent Non-Executive | - | 7,500 | - | 7,500 |
| Isha Garg | Independent Non-Executive | - | 92,500 | - | 92,500 |

There are no severance fees payable to any of the Directors. The Non-Executive Independent Directors were paid sitting fees of Rs. 7500/- for attending each meeting of the Board and Rs. 5000/- for each committee meetings attended by them.

GENERAL BODY MEETING

I. Location and time, where last three Annual General Meetings held along with the detail of special resolution passed thereat, are as follows:

| Year | Date | Time | Venue | No. of Special Items transacted | Special Resolution passed |
|---------|------------|------------|------------------------------------|---------------------------------|---|
| 2019-20 | 27.12.2020 | 11.00 A.M. | Through Video Conferencing (VC) or | 3 | 1. Appointment of Mrs. Isha Garg (DIN-06803278) as the director (Category Independent) of the |

| | | | | | |
|---------|------------|------------|---|---|--|
| | | | Other Audio Visual Means (OAVM) at deemed venue situated at F1 C2 Sivavel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117 Tamil Nadu | | Company to hold office for 5 consecutive years from 27 th August, 2020 to 26 th August, 2025. 2. Re-appointment of Mrs. Suchitra Dhanani as Whole-Time Director for a term of 3 years with effect from 06.02.2020 to 05.02.2023 and fix remuneration. 3. Selling the entire investment of 68,93,998 Equity Shares of Malwa Hospitality Private Limited (Subsidiary Company) to the existing directors, promoters, shareholders and relative of the directors |
| 2018-19 | 28.09.2019 | 11.00 A.M. | 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 | 2 | 1. Appointment of Mr. Saquib Sallim Agboatwala (DIN-06611659) as the director (Category Independent) of the Company to hold office for 5 consecutive years from 14 th February,2019 to 13 th February 2024. 2. Selling the entire investment of 68,93,998 Equity Shares of Malwa Hospitality Pvt. Ltd. (Subsidiary Company) to the existing director, promoters shareholders and relative of the promoters. |
| 2017-18 | 28.09.2018 | 11.00 A.M. | Re-Gala party hall,113/4, 200 Feet Road , Zamin Pallavaram, Old Pallavaram, Chennai - 600117 at 11.00 A.M. | 3 | 1. Reappointment of Mr. Raouf 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. |

During the year under review, no resolution has been passed through Postal Ballot.

II. Extra-ordinary General Meeting

There was no Extraordinary General Meeting held during the year 2020-21.

MEANS OF COMMUNICATION

❖ Quarterly Results

The Quarterly/Half yearly/Annual Financial Results have been submitted to the Stock Exchange (BSE) to enable them to put on their website and communicate to their members. The same are hosted on the company's website at www.sayajihotels.com.

❖ **Newspapers wherein results normally published**

The Quarterly/Half yearly/Annual Financial Results are normally published by the company in English and Tamil language newspapers in Makkal Kural for Tamil Version and Trinity Mirror for English Version.

❖ **Website of the company**

The Company's corporate website i.e. www.sayajihotels.com provides comprehensive information on the Company's portfolio of businesses. The website has an entire section dedicated to Company's profile, its core values, corporate governance, business lines and industry sections. An exclusive section on 'Investors' enables them to access information at their convenience. The entire Annual Report as well as quarterly, half yearly, annual financial statements, releases and shareholding pattern are available in downloadable format as a measure of added convenience to the investors.

Official news releases, if any, are displayed on the Company's website www.sayajihotels.com. There is no institutional investor in the company.

GENERAL SHAREHOLDER INFORMATION

❖ **Financial Year**

The Financial Year of the Company starts from 1st day of April and ends on 31st day of March of next year.

❖ **Financial Calendar 2021 (tentative)**

First Quarter Results: First/Second week of August, 2021

Second Quarter Results: First/Second week of November, 2021

Third Quarter Results: First/Second week of February, 2022

Fourth Quarter as well as Annual Results: Third/Fourth week of May, 2022

❖ **Dividend Payment Date**

The Directors of the company have not recommended any dividend for the Financial Year 2020-21.

❖ **Name and Address of Stock Exchange**

| S. No. | Name of Stock Exchange | Address | Stock Code |
|--------|------------------------|---|------------|
| 1. | BSE LIMITED | BSE Limited, P.J. Towers, Dalal Street Fort, Mumbai-400 001 | 523710 |

Annual Listing fees for the Financial Year 2021-22 has paid by the Company to BSE Limited.

❖ **Market Price Data**

The high and low Market Price of the Company's shares traded on the BSE Limited, during each month in the financial year 2020 - 2021 are given below:

| Month | BSE Sensex Closed | Equity Share Price | | | No. of Shares traded during the month | Turnover |
|------------|-------------------|--------------------|--------|--------|---------------------------------------|--------------|
| | | High | Low | Close | | |
| April-2020 | 33,717.62 | 218.95 | 177.90 | 200.00 | 1,329 | 2,66,364 |
| May-2020 | 32,424.10 | 205.00 | 168.00 | 176.00 | 830 | 1,53,114 |
| June-2020 | 34,915.80 | 201.00 | 151.00 | 161.70 | 9,101 | 15,36,023 |
| July-2020 | 37,606.89 | 177.00 | 146.20 | 164.95 | 7,556 | 12,35,384 |
| Aug.-2020 | 38,628.29 | 168.00 | 151.10 | 162.00 | 11,449 | 18,29,881 |
| Sept.-2020 | 38,067.93 | 176.65 | 148.40 | 158.00 | 49,821 | 78,94,980 |
| Oct.-2020 | 39,614.07 | 169.90 | 147.70 | 161.00 | 4,119 | 6,57,915 |
| Nov.-2020 | 44,149.72 | 167.85 | 145.70 | 160.00 | 8,269 | 13,04,117 |
| Dec.-2020 | 47,751.33 | 256.45 | 155.15 | 237.00 | 33,171 | 68,54,214 |
| Jan.-2021 | 46,285.77 | 288.00 | 207.05 | 211.75 | 28,706 | 75,28,986 |
| Feb.-2021 | 49,099.99 | 232.90 | 200.15 | 203.70 | 4,892 | 16,79,049 |
| Mar.-2021 | 49,509.15 | 285.75 | 200.55 | 234.65 | 4,88,336 | 11,93,09,491 |

❖ Registrar to an issue and share transfer agent

All the work related to the shares held in the physical form as well as shares held in the electronic (demat) form is being done at one single point and for this purpose SEBI registered Registrar and Share Transfer Agent has been appointed, whose details are given below:

Link Intime India Pvt. Limited

C-101, 247 Park, LBS Marg, Vikhroli West,
Mumbai - 400083

e-mail: mumbai@linkintime.co.in

Phone (022) 49186000, Fax: (022) 49186060

❖ Share Transfer System

Transfer of the shares are done through the depositories with no involvement of the Company. For the transfer of shares held in physical form, the authority has been delegated to the Company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40(9) of the Listing Regulations, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchange.

❖ Distribution of Shareholding

The shareholding distribution of equity shares as on March 31, 2021 is given hereunder:

| No. of Shares (Slab) | No. of Share Holders | % of Total | | |
|----------------------|----------------------|------------|---------------|--------------------|
| | | | No. of shares | % of share Capital |
| 1-500 | 3694 | 95.3044 | 324554 | 1.8527 |
| 501-1000 | 89 | 2.2962 | 68110 | 0.3888 |
| 1001-2000 | 33 | 0.8514 | 48594 | 0.2774 |
| 2001-3000 | 19 | 0.4902 | 47337 | 0.2704 |
| 3001-4000 | 4 | 0.1032 | 15300 | 0.0873 |

| | | | | |
|---------------|-------------|------------|-----------------|---------------|
| 4001-5000 | 8 | 0.2064 | 37267 | 0.2127 |
| 5001-10000 | 5 | 0.1290 | 36279 | 0.2071 |
| 10001 or more | 24 | 0.6192 | 16940519 | 96.7035 |
| TOTAL | 3876 | 100 | 17518000 | 100.00 |

The Equity Shareholding Pattern as on 31st March, 2021-

| Category | No. of Shares held | % |
|---|--------------------|---------------|
| A. Promoters and promoter group | 1,31,23,167 | 74.91 |
| B. Banks, Financial Institutions, Insurance Companies & Mutual Funds | | |
| i. Banks | 0.00 | 0.00 |
| ii. Financial Institutions | 300 | 0.00 |
| iii. Insurance Companies | 0.00 | 0.00 |
| iv. Mutual Funds/UTI | 4000 | 0.02 |
| Central & State Governments | 0.00 | 0.00 |
| Foreign Institutional Investors | 0.00 | 0.00 |
| NRIs / Foreign Nationals | 3037577 | 17.34 |
| Directors | 0.00 | 0.00 |
| Public and Others | 1357256 | 7.75 |
| TOTAL | 17518000 | 100.00 |

Note: for detailed shareholding pattern, kindly refer MGT-7 available on website of the Company at www.sayajihotels.com.

The Preference Shareholding Pattern as on 31st March, 2021-

| Category | No. of Shares held | % |
|---|--------------------|---------------|
| C. Promoters and promoter group | 1000000 | 100% |
| D. Banks, Financial Institutions, Insurance Companies & Mutual Funds | | |
| i. Banks | - | - |
| ii. Financial Institutions | - | - |
| iii. Insurance Companies | - | - |
| iv. Mutual Funds/UTI | - | - |
| Central & State Governments | - | - |
| Foreign Institutional Investors | - | - |
| NRIs / Foreign Nationals | - | - |
| Directors | - | - |
| Public and Others | - | - |
| TOTAL | 10,00,000 | 100.00 |

❖ Dematerialization of Shares

As on March 31, 2021, 91.44 % of the total equity shares were held in dematerialized form.

As on March 31, 2021, 75 % of the total Preference Shares were held in dematerialized form.

❖ Hotel Location

The location of all the hotels of Sayaji have been available at www.sayajihotels.com

❖ 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.

❖ Address for Correspondence

All Member's correspondence should be forwarded to M/s. Link Intime India Private Limited, the Registrar and Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below:

Link Intime Private Limited:

C-101, 247 Park, LBS Marg, Vikhroli West,
Mumbai – 400083

e-mail: mumbai@linkintime.co.in

Phone (022) 49186000,

Fax: (022) 49186060

Registered Office of the Company:

F1 C2 Sivavel Apartment, 2 Alagappa Nagar,
Zamin Pallavaram, Chennai Tamil Nadu – 600117

Phone: 044-29871174

E-mail: cs@sayajigroup.com

SEBI vide its circular dated 26th March, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System (SCORES). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance. 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.

❖ Detail of credit rating obtained

ICRA Limited (Credit Rating Agency) has revised the long-term rating for the captioned Line of Credit (LOC) to [ICRA] BBB- (pronounced ICRA triple B minus) from [ICRA] BB+ (pronounced ICRA double B plus). The outlook on the long-term rating is stable.

The intimation regarding above mentioned change in credit rating has been submitted to stock exchanges as well as uploaded on the website of the company.

POLICY AND DISCLOSURES:

| Particulars | Regulations | Details | Website link for details/policy |
|---|--|---|---|
| Policy on dealing with Related Party Transactions | Regulation 23 of LODR Regulations, 2015. | This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders. Provisions of | https://sayajihotels.com/data/2021/06/Related_Party_Transaction_Policy.pdf |

| | | | |
|--|---|--|---|
| | | <p>this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws.</p> <p>The Company within 30 days from the date of publication of its standalone and consolidated financial results for the half year, submits disclosures of related party transactions on a consolidated basis.</p> <p><i>The Policy was last amended on 30.06.2021.</i></p> | |
| Whistle Blower Policy and Vigil mechanism | Section-177 of Companies Act, 2013 read with Rule-7 of Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 LODR Regulations, 2015 | <p>This Whistle Blower & Vigil Mechanism Policy (“this Policy”) is formulated to provide employee an avenue to lodge Complaints, in line with the commitment of Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. To provide necessary safeguards for protection of employees from reprisals or victimization, for whistle-blowing in good faith.</p> <p><i>The Policy was last amended on 30.06.2021.</i></p> | https://sayajihotels.com/data/2021/06/Whistle_Blower__Vigil_Mechanism_Policy.pdf |
| Policy on Determination of Materiality for Disclosures | Regulation 30(4) (ii) of LODR Regulations, 2015 | <p>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).</p> <p><i>The Policy was last amended on 30.06.2021.</i></p> | https://sayajihotels.com/data/2021/06/Policy_for_determination_of_materiality.pdf |
| Policy on Archival and Preservation of Documents | Regulation 9 of LODR 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> | https://sayajihotels.com/data/new_july/Policy-for-preservation-of-documents.pdf |

| | | | |
|--|---|---|--|
| <p>Policy For Procedure Of Inquiry In Case Of Leak Of Unpublished Price Sensitive Information (“UPSI”)</p> | <p>Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]</p> | <p>The policy is framed for the purpose of: -Strengthening internal control system to prevent leak of UPSI. -Restricting and prohibiting 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. -Having a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons with any person, firm, Company or Body Corporate. -Initiating inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India (“SEBI”) promptly.</p> | <p>https://sayajihotels.com/investors/</p> |
| <p>Policy on Material Subsidiary Companies</p> | <p>Regulation 16(1)(c) of the LODR Regulations, 2015</p> | <p>The objective of this policy is to lay down criteria for identification and dealing with Material subsidiaries and to formulate a governance framework for subsidiaries of the Company.</p> <p>The Audit Committee reviews the financial statements of the Company’s unlisted subsidiary Companies.</p> <p><i>The Policy was last amended on 03.12.2021</i></p> | <p>https://sayajihotels.com/data/2020/Material_Subsiary_Policy.pdf</p> |
| <p>Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace</p> | <p>As per the requirement of the Companies Act, 2013</p> | <p>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.</p> | <p>https://sayajihotels.com/data/2021/06/Internal_Complaint_Committee_SHWW_Prevention_Prohibition_and_Redressal1_Act_2013.pdf</p> |
| <p>Familiarization Programme for Independent Directors</p> | <p>As per the requirement Regulation – 25(7) and 46(2)(i) of LODR Regulations, 2015</p> | <p>The Company believes that a Board which is well familiarized with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders’ aspirations and societal expectations.</p> <p>In pursuit of this, the Directors of the Company are updated on changes/developments in the domestic/global corporate and industry scenario including</p> | <p>https://sayajihotels.com/data/2021/Familiarization_programme_for_Independent_directors.pdf</p> |

| | | | |
|------------------------------------|--|--|---|
| | | those pertaining to statutes/legislations & economic environment and on matters significantly affecting the Company, to enable them to take well informed and timely decisions. | |
| Risk Management Policy | As per the requirement of Section 177 (4)(vii) of the Companies Act, 2013 and Regulations – 17(9)(b) of LODR Regulations, 2015 | <p>This Policy helps organizations to put in place effective frameworks for taking informed decisions about risks. To minimize the adverse consequence of risks on business objectives this policy was framed.</p> <p>The guidance provides a route map for risk management, bringing together policy and guidance from Board of Directors.</p> <p><i>The Policy was last amended on 30.06.2021.</i></p> | https://sayajihotels.com/data/2021/06/Risk_Management_Policy.pdf |
| Nomination and Remuneration Policy | As per the requirement of Section 178 of the Companies Act, 2013 and Regulations – 19 of LODR Regulations, 2015 | This Policy contains provisions regarding retirement and the Board shall have the discretion in retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, upon the recommendation of the NRC for the benefit of the Company. | https://sayajihotels.com/data/NominationAndRemunerationPolicy.pdf |
| Business Responsibility Policy | As per LODR Regulations, 2015 | <p>This Policy is based on principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a Business published by the Ministry of Corporate Affairs, towards conducting business by a company.</p> <p>The key objective of this Policy is to ensure a unified and common approach to the dimensions of Business Responsibility across the Company and act as a strategic driver that will help the Company to respond to the complexities and challenges that keep emerging and be abreast with changes in regulations.</p> | https://sayajihotels.com/data/new_aug/Business_Responsibility_Policy.pdf |

| | | | |
|---|---|---|---|
| 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 Code which provides for prevention of misuse of any unpublished price sensitive 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.</p> | https://sayajihotels.com/data/2021/Code_of_Conduct_under_SEBI_PIT_Regulations_2015.pdf |
| Code of Conduct | Regulation 17 of LODR Regulations, 2015 | <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.</p> <p>The Members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board.</p> | https://sayajihotels.com/data/2020/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management.pdf |

OTHER DISCLOSURES:

❖ Related Party Transactions

All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis which is disclosed in Board Report as well as in notes to Financial Statements. None of the transactions with any of related parties were in conflict with the Company's interest.

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources.

There is no materially significant related party transaction entered during the financial year under review. The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions and the same has been disclosed on the Company's website at the following link: https://sayajihotels.com/data/Related_Party_Transaction_Policy.pdf

All related party transactions including transactions of repetitive in nature are placed before the Audit Committee for approval and further reviewed periodically.

❖ Statutory Compliances/Penalty

Following is the details of non-compliance by the listed entity and penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during the last three years

| S. No. | Financial Year | Details | Action/Comments of Company |
|--------|----------------|--|---|
| 1. | 2020-21 | All the details of the non-compliance during the year has been placed in Secretarial Audit Report attached as Annexure 3 to this Annual Report. | The Company has rectified the Non-Compliances and filed a waiver request with BSE Limited for imposing such stringent penalty as the said non-compliance happened as a result of disruption of operation and business due to pandemic Covid-19 only. BSE Limited has waived 3 out of 5 penalties and partly waived 2 penalties. The amount of partial penalty is Rs. 440000/- + taxes. |
| 2. | 2019-20 | No non-compliance or penalty has been imposed during the year under review. | Not Required |
| 3. | 2018-19 | No non-compliance or penalty has been imposed during the year under review. | Not Required |

❖ Disclosure on Website

Following information has been disseminated on the website of the Company at www.sayajihotels.com ;

- (a) Annual Reports
- (b) Details of Board of the Directors
- (c) Code of Conduct for Board of Directors and Senior Management
- (d) Code of conduct for the Independent Directors
- (e) Code of conduct under SEBI (PIT) Regulations, 2015
- (f) Corporate Governance Report
- (g) Composition of the Various committees of the Board of Directors
- (h) General Meeting Transcript
- (i) Details of the Business
- (j) Financial Results
- (k) Investors Complaint
- (l) Investors Details
- (m) Shareholding pattern
- (n) Whistle Blower/Vigil mechanism
- (o) Terms and conditions for appointment of Independent Directors
- (p) Policies
- (q) Internal Complaint Committee (SHWW Prevention, Prohibition And Redressal) Act, 2013
- (r) Notices
- (s) Reports under Regulation 40(9)
- (t) Announcements under Regulation 30 (LODR)
- (u) Compliance Certificate under Regulation 74 (5) of SEBI (DP) Regulation, 2018

- (v) Reports under Regulation 7(3)
- (w) Reconciliation of the share capital Audit
- (x) Statement of the investors complaint report
- (y) Financial statement of the Subsidiary
- (z) E Voting
- (aa) Postal Ballot
- (bb) Composite Scheme
- (cc) Financial statement of the unlisted Companies
- (dd) Disclosures of Related Party Transactions
- (ee) Disclosure of Reasons for Encumbrances by Promoters

❖ Compliance with Mandatory and Non-Mandatory Requirements under Chapter IV of SEBI (LODR) Regulations

The Company is regularly complying with the SEBI (LODR) Regulations as stipulated therein. Information, certificates and returns as required under the provisions of SEBI (LODR) Regulations are sent to the stock exchanges within the prescribed time. The Company has also complied with all the mandatory requirement of SEBI (LODR) Regulations.

The status of compliance with the non-mandatory requirements is as under:

1. Modified Opinion(s) in Audit Report

There are no modified opinion(s) on the financial statements for the financial year 2020-21.

2. Reporting of Internal Auditor

The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has complied with the applicable provisions of SEBI (LODR) Regulations including Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations. The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

❖ Governance of Subsidiary Companies and policy for determining “Material” Subsidiaries

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Report, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of your Company.

The Board has formulated a policy for determining material subsidiaries pursuant to the provisions of SEBI (LODR) Regulations which is available on the website of the Company at https://sayajihotels.com/data/2020/Material_Subsiary_Policy.pdf

As per the provision of SEBI (LODR) Regulations, 2015 along with the policy framed by the Company, Malwa Hospitality Private Limited ceases to be the material subsidiary of the company. The Company does not have any material subsidiary company.

❖ Disclosures of commodity price risks or foreign exchange risks and commodity hedging activities specified under Schedule V (C) 10(g) to the SEBI Listing Regulations:

The Company does not deal in commodities and hence the disclosure pursuant to the same is not required to be given. The Company faces exposure to fluctuations in currency for which it uses forward exchange contracts to hedge against its foreign currency exposures. The details of foreign exchange exposures as on March 31, 2021 are disclosed in Notes to the Financial Statements.

❖ **Non acceptance of any recommendation of any Committee of the Board which was mandatorily required**

During the year, the Board has accepted all recommendations received from all of its Committees.

❖ **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

The total fees paid to the M/s K.L. Vyas & Co., Statutory Auditor by the Company and its subsidiaries on a consolidated basis for the Financial Year 2020-21 is Rs. 10.73 Lakh, details of which is placed at notes to the financial Statements forming part of this Annual Report

❖ **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the Financial Year ended March 31, 2021, the Company has not received any complaint in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

| Particulars | Number of Complaints |
|---|----------------------|
| Number of Complaints filed during the Financial year under review | 0 |
| Number of Complaints disposed of during the financial year under review | 0 |
| Number of Complaints pending as on the end of financial year | 0 |

❖ **Other Information:**



| Particular | Information |
|---|--|
| Board Meeting for consideration of Accounts for the financial year ended on March 31, 2021. | 30 th June, 2021 |
| Date of closing of the financial year | 31 st March, 2021 |
| Date of Email of the Annual Reports | On or before 5 th Day of September, 2021 |
| Book Closure Dates | 13 th September 2021 to 14 th September 2021 |
| No. of Shares in the Demat & % of the total shares in the Demat | 1,60,18,912 Shares (91.44 % of the total paid up capital of the Company) |
| Total No. of shareholders as at 31.03.2021 | 3876 |
| 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 | Not applicable |
| Details of the outstanding ADR/GDR/ Warrants | Not applicable |
| Cutoff date for remote e-voting | 21 st September, 2021 |
| Remote E-Voting period | From 24 th September, 2021 9:00 A.M. IST |

| | |
|---|---|
| | To 27 th September, 2021 5:00 P.M. IST |
| Name of the Scrutinizers | Neelesh Gupta and Company |
| Name of the Compliance Officer | Mr. Amit Sarraf |
| Last date for receipt of Proxy Forms | Not Applicable |
| Date, Time & Venue of the 38 th Annual General Meeting | Date – 28 th September, 2021 Time – 11:00 A.M. Venue – Through Video Conferencing (VC) or other Audio Visual Means (OAVM) (Deemed Venue for the meeting shall be Registered Office : F1 C2, Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai (TN) – 600117 IN |
| Dividend Payment Date | Not Applicable |
| Probable date of dispatch of warrants | Not Applicable |

UDIN: 21402560AAAAIA3410

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, 2021 and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (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, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of matter

We draw attention to Note No. 54 to the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management.

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

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>Impact of COVID-19 pandemic on Going Concern</p> <p>Refer Note 54 – “Going Concern” and Note-1 (D-6) “Estimation related to COVID-19” of the standalone financial statements</p> <p>During the year, the business of the Company was significantly impacted due to COVID-19. Significant number of hotels were not operating for the first six months on account of restrictions imposed due to lockdowns; with lifting of lockdown restrictions all the hotels started operating from second half of the year. However due to second wave of Covid-19, currently, various state governments have further imposed restrictions.</p> <p>These lockdowns and restrictions due to COVID-19 pandemic have posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.</p> <p>The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements.</p> <p>In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.</p> | <p><u>Principal Audit Procedures</u></p> <p>Obtained an understanding from Management the procedure of preparing forecasted statements and Compared the forecasted statement of profit and loss and cash flows with the Company’s business plan approved by the board of directors.</p> <p>Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and analyzed the same based on our understanding of the Company’s business</p> <p>Obtained understanding of new borrowing arrangements subsequent to the year-end and also cash & cash equivalents available with the company;</p> <p>Assessed impact of Government’s announcement to lift the lockdown restrictions and Company’s plan to re-open hotels in a phased manner;</p> <p>Assessed disclosures made in the standalone financial statements with regard to the above. Refer to note 54 and note 1(D-6).</p> |

Management’s and Board of Directors’ Responsibility for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other 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 standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (B) 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 as at 31st March, 2021 on its financial position in its standalone financial statements – Refer Note 46 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There 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

Place of Signature: Indore
Date: 30th June, 2021

(Himanshu Sharma)
Partner
M.NO.: 402560
UDIN: 21402560AAAAIA3410

UDIN: 21402560AAAAIA3410

ANNEXURE –ATO 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, 2021.

- (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 Right of Use 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, 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 31.03.2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, 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 Statue | Nature of Dues | Period to which the amount relates | Forum where the dispute is pending | Total Amount (Rs. In Lakhs) |
|--|---|---|---|--|
| Income Tax Act, 1961 | Income Tax | A.Y.10-11 | Commissioner of Income Tax(Appeals), Indore. | 13.89 |
| | | A.Y.14-15 | Commissioner of Income Tax (Appeals), Vadodara | 109.00 |
| M.P. Value Added Tax Act 2002, M.P. Luxury, Entertainment & Advertisement Tax Act, 2011 & M.P. Entry Tax Act, 1976 | Value Added Tax, Luxury Tax and Entry Tax | 2015-2016 & 2016-2017 | Commissioner (Appeal), Commercial Taxes, Indore | 53.47 |

| | | | | |
|--|---|-----------------------|---|---------------|
| M.P. Value Added Tax Act 2002, M.P. Luxury, Entertainment & Advertisement Tax Act, 2011 & M.P. Entry Tax Act, 1976 | Value Added Tax, Luxury Tax and Entry Tax | 2012-2013 & 2014-2015 | Appellate Tribunal, Commercial Tax, Indore | 1.76 |
| M.P. Municipal Corporation Act, 1956 | Property Tax | 2016-17 2017-18 | The Mayor-In-Council, Indore Municipal Corporation, Indore | 55.12 |
| | | | TOTAL | 233.24 |

- (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: 30thJune, 2021

(Himanshu Sharma)
Partner
M.NO.: 402560
UDIN: 21402560AAAAIA3410

UDIN: 21402560AAAAIA3410

ANNEXURE –B 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 31stMarch,2021in 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 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place of Signature: Indore
Date: 30th June, 2021

(Himanshu Sharma)
Partner
M.No.: 402560
UDIN: 21402560AAAAIA3410

| SAYAJI HOTELS LIMITED | | | |
|--|--|----------------------------------|----------------------------------|
| BALANCE SHEET AS AT 31ST MARCH, 2021 | | | |
| (Rs. In Lakhs) | | | |
| Particulars | Note No. | As at 31st March,2021 | As at 31st March,2020 |
| ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 2 | 18,797.14 | 20,923.13 |
| (b) Capital Work-In-Progress | 3 | 0.62 | 11.81 |
| (c) Intangible Assets | 4 | 4.26 | 2.43 |
| (d) Investment In Subsidiary, Joint Venture & Associate | 5 | 652.50 | 1,341.90 |
| (e) Financial Assets | | | |
| (i) Investments | 6 | 0.21 | 0.21 |
| (ii) Loans | 7 | 971.04 | 891.26 |
| (iii) Other Financial Assets | 8 | 117.08 | 107.47 |
| (f) Deferred Tax Assets (Net) | 9 | 1,787.76 | 1,395.81 |
| (g) Other Non-Current Assets | 10 | 122.76 | 124.87 |
| Total Non-Current Assets | | 22,453.37 | 24,798.89 |
| 2 Current Assets | | | |
| (a) Inventories | 11 | 1,603.43 | 1,860.48 |
| (b) Financial Assets | | | |
| (i) Investments | | - | - |
| (ii) Trade Receivables | 12 | 348.45 | 500.98 |
| (iii) Cash and Cash Equivalents | 13 | 325.16 | 365.78 |
| (iv) Bank Balances Other Than (iii) above | 14 | 9.58 | 14.04 |
| (v) Loans | 15 | 181.17 | 201.67 |
| (vi) Other Financial Assets | 16 | 600.95 | 324.64 |
| (c) Current Tax Assets (Net) | 17 | 27.62 | 4.09 |
| (d) Other Current Assets | 18 | 695.77 | 874.73 |
| Total Current Assets | | 3,792.13 | 4,146.41 |
| TOTAL ASSETS | | 26,245.50 | 28,945.30 |
| EQUITY AND LIABILITIES | | | |
| 1 EQUITY | | | |
| (a) Equity Share Capital | 19 | 1,751.80 | 1,751.80 |
| (b) Other Equity | 20 | 3,983.99 | 5,995.39 |
| Total Equity | | 5,735.79 | 7,747.19 |
| 2 LIABILITIES | | | |
| 2.1 Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 21 | 5,663.56 | 5,998.39 |
| (ii) Other Financial Liabilities | 22 | 8,486.65 | 8,953.91 |
| (b) Provisions | 23 | 573.46 | 601.13 |
| (c) Deferred Tax Liabilities (Net) | 9 | - | - |
| (d) Deferred Revenue | 24 | 398.18 | 451.30 |
| Total Non-Current Liabilities | | 15,121.85 | 16,004.73 |
| 2.2 Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 25 | 932.42 | 629.23 |
| (ii) Trade Payables | 26 | | |
| A. total outstanding dues of micro enterprises and small enterprises; and | | 26.37 | 15.64 |
| B. total outstanding dues of creditors other than micro enterprises and small enterprises. | | 1,122.16 | 1,266.48 |
| (iii) Other Financial Liabilities | 27 | 2,050.54 | 1,792.69 |
| (b) Provisions | 28 | 417.66 | 515.45 |
| (c) Current Tax Liabilities (Net) | 29 | - | - |
| (d) Other Current Liabilities | 30 | 838.71 | 973.89 |
| Total Current Liabilities | | 5,387.86 | 5,193.38 |
| TOTAL EQUITY AND LIABILITIES | | 26,245.50 | 28,945.30 |
| Significant Accounting Policies and other Notes | 1-54 | | |
| These notes form an integral part of these financial statements | | | |
| In term of our report attached | | | |
| For K.L.Vyas & Company | For and on behalf of Board of Directors | | |
| Chartered Accountants | | | |
| Firm Regn. No. 003289C | | | |
| Himanshu Sharma | T.N Unni | Raof Razak Dhanani | |
| Partner | Director | Managing Director | |
| M.No. 402560 | DIN. 00079237 | DIN. 00174654 | |
| Place: Indore | Sandesh Khandelwal | Amit Sarraf | |
| Date: 30th June,2021 | Chief Financial Officer | Company Secretary | |

SAYAJI HOTELS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

| | | [Rs. in Lakhs Except EPS] | | |
|------|---|---------------------------|--|--|
| | Particulars | Note No. | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| I | Income | | | |
| II | Revenue From Operations | 31 | 7,517.18 | 20,969.43 |
| III | Other Income | 32 | 781.86 | 329.83 |
| IV | Total Revenue (II+III) | | 8,299.04 | 21,299.26 |
| V | Expenses : | | | |
| | Food and Beverages Consumed | 33 | 1,528.52 | 4,189.72 |
| | Employee Benefits Expenses | 34 | 2,091.00 | 5,611.96 |
| | Finance Costs | 35 | 2,006.40 | 2,183.74 |
| | Depreciation And Amortization Expenses | 2&4 | 2,607.58 | 2,880.51 |
| | Operating Expenses | 36 | 1,889.15 | 4,961.67 |
| | Other Expenses | 37 | 845.08 | 1,378.94 |
| | Total Expenses | | 10,967.73 | 21,206.54 |
| VI | Profit/(Loss) before exceptional items and tax (IV-V) | | (2,668.69) | 92.72 |
| VII | Exceptional items | 38 | - | 469.40 |
| VIII | Profit/(Loss) before tax (VI-VII) | | (2,668.69) | (376.68) |
| IX | Tax Expense : | | | |
| | (1) Current Tax | | - | 191.66 |
| | (2) Deferred Tax | | (450.72) | (359.85) |
| | (3) Earlier year taxes | | (44.02) | (28.93) |
| | Total (IX) | | (494.74) | (197.12) |
| X | Profit (Loss) for the year after tax (VIII-IX) | | (2,173.95) | (179.56) |
| XI | Other Comprehensive Income | | | |
| | (a) Items that will not be reclassified to profit or loss | | | |
| | (i) Actuarial Gain/(Loss) on Defined Benefit Plan | | 162.44 | 21.68 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (42.23) | (6.03) |
| | (b) Items that will be reclassified to profit or loss | | | |
| | (i) Changes in Cash Flow Hedge Reserve | | (20.42) | (15.83) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | 4.08 | 4.40 |
| | Other Comprehensive Income for the year net of tax | | 103.87 | 4.22 |
| XII | Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year) | | (2,070.08) | (175.34) |
| XIII | Earnings per equity share | 39 | | |
| | (1) Basic | | (13.10) | (1.71) |
| | (2) Diluted | | (13.10) | (1.71) |

Significant Accounting Policies and other Notes

1-54

These notes form an integral part of these financial statements

In term of our report attached

For K.L.Vyas & Company

Chartered Accountants

Firm Regn. No. 003289C

For and on behalf of Board of Directors

Himanshu Sharma

Partner

M.No. 402560

T.N Unni

Director

DIN 00079237

Raof Razak Dhanani

Managing Director

DIN 00174654

Place: Indore

Date: 30th June,2021

Sandesh Khandelwal

Chief Financial Officer

Amit Sarraf

Company Secretary

SAYAJI HOTELS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

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

| Balance as at 1st April, 2020 | Changes in equity share capital during the year | Balance as at 31st March, 2021 |
|-------------------------------|---|--------------------------------|
| 1,751.80 | - | 1,751.80 |

B. Other Equity (Amount in Rs. 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, 2020 | 881.32 | 5,944.60 | 641.48 | (1,460.58) | (11.43) | 5,995.39 |
| Profit/(Loss) for the year | - | - | - | (2,173.96) | - | (2,173.96) |
| Other Comprehensive Income for the year | - | - | - | 120.21 | (16.34) | 103.87 |
| Total Comprehensive Income for the Year | - | - | - | (2,053.75) | (16.34) | (2,070.09) |
| Cash dividends | - | - | - | - | - | - |
| Dividend distribution tax on cash dividend | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - |
| Issue of share capital | 58.69 | - | - | - | - | 58.69 |
| Balance as at 31st March, 2021 | 940.01 | 5,944.60 | 641.48 | (3,514.33) | (27.77) | 3,983.99 |

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

| Balance as at 1st April, 2019 | Changes in equity share capital during the year | Balance as at 31st March, 2020 |
|-------------------------------|---|--------------------------------|
| 1,751.80 | - | 1,751.80 |

B. Other Equity (Amount in Rs. 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, 2019 | 251.66 | 5,944.60 | 641.48 | (1,296.67) | - | 5,541.07 |
| Profit/(Loss) for the year | - | - | - | (179.56) | - | (179.56) |
| Other Comprehensive Income for the year | - | - | - | 15.65 | (11.43) | 4.22 |
| Total Comprehensive Income for the Year | - | - | - | (163.91) | (11.43) | (175.34) |
| Cash dividends | - | - | - | - | - | - |
| Dividend distribution tax on cash dividend | - | - | - | - | - | - |
| Transfer from retained earnings | - | - | - | - | - | - |
| Issue of share capital | 629.66 | - | - | - | - | 629.66 |
| Transferred under scheme of Amalgamation | - | - | - | - | - | - |
| Balance as at 31st March, 2020 | 881.32 | 5,944.60 | 641.48 | (1,460.58) | (11.43) | 5,995.39 |

Significant Accounting Policies and other Notes

1-54

These notes form an integral part of these financial statements

In term of our report attached

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

For and on behalf of Board of Directors

Himanshu Sharma
Partner
M.No. 402560

T.N Unni
Director
DIN. 00079237

Raof Razak Dhanani
Managing Director
DIN. 00174654

Place: Indore
Date: 30th June,2021

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

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

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax from continuing operations | (2,526.67) | (370.83) |
| Non-cash/Non-Operating adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation & Amortisation including adjustments | 2,607.58 | 2,880.51 |
| Deferred Income Amortisation | (53.21) | (61.30) |
| Deferred Expense Amortisation | 4.69 | 4.69 |
| Excess provision written back | (14.33) | (55.96) |
| (Profit) /Loss on Sale/Disposal of Property, Plant & Equipment | 1.42 | (13.15) |
| Interest Expense | 1,025.79 | 1,080.67 |
| Finance cost on lease payable & Other Financial Liabilities | 825.48 | 886.79 |
| Finance cost on Preference Share | 155.13 | 216.28 |
| Interest Received | (19.84) | (16.39) |
| Finance income on security deposit | (93.14) | (84.02) |
| Prepaid Lease income on Security Deposit | 3.46 | (4.68) |
| Impairment Loss | - | 0.52 |
| Lease Rent & Lease Rent Concession | (418.25) | - |
| Balances Written off | (19.46) | 2.76 |
| Provision for doubtful debts made | 5.67 | 19.45 |
| Operating profit before Working Capital changes | 1,484.32 | 4,485.34 |
| Adjustments for:: | | |
| Increase/(Decrease) in other liabilities | (135.09) | 200.95 |
| Increase/(Decrease) in other financial liabilities | (463.51) | (492.65) |
| Increase/(Decrease) in provisions | (111.13) | (33.84) |
| Increase/(Decrease) in trade payables | (133.59) | 67.26 |
| Decrease/(Increase) in loans(financial assets) | 452.11 | (168.14) |
| Decrease/(Increase) in other Bank Balances | 4.46 | (0.84) |
| Decrease/(Increase) in Inventories | 257.05 | 12.70 |
| Decrease/(Increase) in trade receivable | 166.32 | 374.18 |
| Decrease/(Increase) in other assets | 172.92 | (3.47) |
| Decrease/(Increase) in other financial assets | (285.92) | (26.54) |
| Cash generated from operations | 1,407.94 | 4,414.95 |
| Taxes (Paid)/Refund | 20.49 | (177.44) |
| Net Cash from Operating Activity (A) | 1,428.43 | 4,237.51 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipment | (239.71) | (635.31) |
| Sale/Disposal of Property, Plant & Equipment | 2.33 | 23.40 |
| Proceeds from Sale of Investment | 689.40 | 297.99 |
| Interest Received | 19.84 | 16.39 |
| Net Cash Flow from Investing Activity(B) | 471.86 | (297.53) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds of Long Term Borrowings | 380.00 | 1,000.00 |
| Repayment of Long Term Borrowings | (790.65) | (990.78) |
| Proceeds/(Repayment) of loans from others | (215.34) | (1,129.88) |
| Payment of Lease Liability | (807.65) | (1,262.02) |
| Interest Paid/other borrowing cost paid | (1,025.79) | (1,080.67) |
| Net cash used in Financing Activity (C) | (2,459.43) | (3,463.35) |
| Net increase/decrease in cash and cash equivalents(A+B+C) | (559.14) | 476.63 |
| Cash and cash equivalents at the beginning of the year | 333.22 | (143.41) |
| Cash and cash equivalents at the close of the year | (225.92) | 333.22 |
| Significant Accounting Policies and other Notes | 1-54 | |
| These notes form an integral part of these financial statements | | |
| In term of our report attached | | |

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:

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------|-----------------------------|-----------------------------|
| Balance with Banks | 310.27 | 311.68 |
| Cash on hand | 14.89 | 54.10 |
| Less: Bank Overdraft | (551.09) | (32.56) |
| | (225.92) | 333.22 |

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

For and on behalf of Board of Directors

Himanshu Sharma
Partner
M.No. 402560

T.N Unni
Director
DIN. 00079237

Raof Razak Dhanani
Managing Director
DIN. 00174654

Place: Indore
Date: 30th June,2021

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

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, 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, 2021, were approved by Board of Directors and authorized for issue on 30th June,2021.

B. Basis of Preparation

1. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

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
- 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, and 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 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, 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.

Freehold land is not depreciated.

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 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. A gain 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 – ‘Financial Instruments’ (b) finance charges in respect of finance leases recognized in accordance with Ind AS 116 – ‘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 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.

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.

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

14.2.1 Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contributions to separate entities under the plan and will have no legal or constructive obligation to pay further amounts to employees in future under the Plan. Provident Fund and Employee State Insurance are Defined Contribution Plans in which the 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.

The 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 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.

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

Ind AS 116 - Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly the company has not restated the comparative information. Further, in respect of leases that were classified as operating leases applying Ind AS 17. There is no impact on Opening Retained Earnings.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these

short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" / "Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent" / "Other expenses", "Depreciation and amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods.

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.

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.

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 115.
- Lease Receivables under Ind AS 116.
- 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 115, if they do not contain a significant financing component

Trade receivables or contract assets resulting from transactions within the scope of Ind AS 115 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 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 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. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

3. 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.

4. 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.

5. 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.

6. Estimation uncertainty relating to COVID-19:

Covid19 has impacted and continues to impact the business operations of the Company. It has resulted reduction in occupancy of hotels and average rate realization (ARR) per room starting from the month of March 2020. All the hotels of the company were operational during the current quarter ending March 2021.

The business is further impacted in first quarter of financial year 2021-2022 due to restrictions imposed due to surge in Covid cases. Hotels of the company were partially operational during the month of April & May 2021 wherein only accommodation facilities were operational with very low level of occupancies and F&B sale at nominal level by way of home delivery & take away. Revenues could be further impacted during the financial year 2021-2022, however management expects a recovery in business during the 2nd half of the financial year. Management has undertaken/ is undertaking various cost savings initiatives like salary reduction, rent waivers etc. which has resulted into substantial savings and better operational efficiency.

In evaluating the impact of Covid19 on its ability to continue as a going concern and the possible impact on its financial position, the company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expect to recover the carrying amount of the assets. The management has sufficient financing for the next 12 months to prevent disruption of the operating cash flows and to meet its obligations as they fall due.

Based on aforesaid assessment, management believes that the company will continue as a going concern and will be able to meet its obligations. The company will continue to monitor any material changes to future economic conditions and any significant impact of these conditions.

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.

The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly the company has not restated the comparative information.

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 has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The above amendment did not have any material impact on the amounts recognised in 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 above amendment did not have any material impact on the amounts recognised in 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 above amendment did not have any material impact on the amounts recognised in financial statements.

2. PROPERTY PLANT & EQUIPMENT

(Amount in Rs. Lakhs)

| Particulars | Gross block | | | Depreciation/Amortization | | | | Net book value | | |
|------------------------------|---------------------|---------------|--------------------------|---------------------------|-----------------|-----------------|--------------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2020 | Additions | Deletions/ Adjustment | As at 31.03.2021 | Upto 01.04.2020 | For the Year | Deletions/ Adjustment | Upto 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| OWNED ASSETS | | | | | | | | | | |
| Freehold Land | 2,634.84 | - | - | 2,634.84 | - | - | - | - | 2,634.84 | 2,634.84 |
| Leasehold Land # | 2.44 | - | - | 2.44 | - | - | - | - | 2.44 | 2.44 |
| Buildings | 11,131.41 | 143.97 | - | 11,275.38 | 4,681.13 | 976.72 | - | 5,657.85 | 5,617.53 | 6,450.28 |
| Plant and Equipments | 2,361.01 | 52.93 | (24.29) | 2,389.65 | 1,042.92 | 247.52 | (20.54) | 1,269.90 | 1,119.75 | 1,318.09 |
| Furniture & Fixtures | 1,426.46 | 47.48 | - | 1,473.94 | 749.20 | 281.46 | - | 1,030.66 | 443.28 | 677.26 |
| Service Equipment | 257.53 | 0.18 | - | 257.71 | 182.78 | 29.87 | - | 212.65 | 45.06 | 74.75 |
| Vehicles | 53.42 | - | - | 53.42 | (14.96) | 16.51 | - | 1.55 | 51.87 | 68.38 |
| Computers | 235.68 | 0.29 | - | 235.97 | 188.70 | 10.95 | - | 199.65 | 36.32 | 46.98 |
| RIGHT OF USE ASSETS * | | | | | | | | | | |
| Land | 4,058.41 | - | - | 4,058.41 | 71.00 | 71.00 | - | 142.00 | 3,916.41 | 3,987.41 |
| Hotel Properties | 6,435.03 | 236.27 | - | 6,671.30 | 873.07 | 931.94 | - | 1,805.01 | 4,866.29 | 5,561.96 |
| Offices | 138.13 | - | - | 138.13 | 37.39 | 37.39 | - | 74.78 | 63.35 | 100.74 |
| Total | 28,734.36 | 481.12 | (24.29) | 29,191.19 | 7,811.23 | 2,603.36 | (20.54) | 10,394.05 | 18,797.14 | 20,923.13 |

Transferred to Right of Use Assets

*1. Right of Use assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options.

2. Amounts recognised in profit or loss:

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 |
|---|------------------|
| Depreciation of Right of Use Assets | 1,040.33 |
| Additional Lease Payments shown as Lease Rent ^ | 134.15 |
| Interest on Lease Liabilities | 825.48 |
| Total | 1,999.96 |

^Additional Lease Payments are based on the performance i.e. Gross operating profit, revenues etc. of the Hotel property leased and for which no lease liability has been recognised as it is contingent & variable in nature.

(Amount in Rs. Lakhs)

| Particulars | Gross block | | | Depreciation/Amortization | | | | Net book value | | |
|------------------------------|---------------------|------------------|--------------------------|---------------------------|-----------------|-----------------|--------------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2019 | Additions | Deletions/ Adjustment | As at 31.03.2020 | Upto 01.04.2019 | For the Year | Deletions/ Adjustment | Upto 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Owned Asset | | | | | | | | | | |
| Freehold Land | 2,634.84 | - | - | 2,634.84 | - | - | - | - | 2,634.84 | 2,634.84 |
| Leasehold Land | 2,144.61 | - | (2,142.17) | 2.44 | 92.91 | - | (92.91) | - | 2.44 | 2,051.70 |
| Buildings | 11,010.52 | 120.89 | - | 11,131.41 | 3,469.54 | 1,211.59 | - | 4,681.13 | 6,450.28 | 7,540.98 |
| Plant and Equipments | 2,136.42 | 237.96 | (13.37) | 2,361.01 | 767.54 | 287.95 | (12.57) | 1,042.92 | 1,318.09 | 1,368.88 |
| Furniture & Fixtures | 1,311.64 | 396.81 | (281.99) | 1,426.46 | 737.75 | 290.08 | (278.63) | 749.20 | 677.26 | 573.89 |
| Service Equipment | 254.56 | 7.83 | (4.86) | 257.53 | 136.02 | 51.43 | (4.67) | 182.78 | 74.75 | 118.54 |
| Vehicles | 135.13 | - | (81.71) | 53.42 | 39.15 | 23.52 | (77.63) | (14.96) | 68.38 | 95.98 |
| Computers | 226.04 | 9.64 | - | 235.68 | 169.94 | 18.76 | - | 188.70 | 46.98 | 56.10 |
| RIGHT OF USE ASSETS * | | | | | | | | | | |
| Land | - | 4,058.41 | - | 4,058.41 | - | 71.00 | - | 71.00 | 3,987.41 | - |
| Hotel Properties | - | 6,435.03 | - | 6,435.03 | - | 873.07 | - | 873.07 | 5,561.96 | - |
| Offices | - | 138.13 | - | 138.13 | - | 37.39 | - | 37.39 | 100.74 | - |
| Total | 19,853.76 | 11,404.70 | (2,524.10) | 28,734.36 | 5,412.85 | 2,864.79 | (466.41) | 7,811.23 | 20,923.13 | 14,440.91 |

SAYAJI HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3. CAPITAL WORK-IN-PROGRESS

(Amount in Rs. Lakhs)

| Particulars | As at 01.04.2020 | Additions | Capitalised | As at 31.03.2021 |
|--------------------------|---------------------|---------------|---------------|---------------------|
| Capital work in progress | 11.81 | 223.33 | 234.52 | 0.62 |
| Total | 11.81 | 223.33 | 234.52 | 0.62 |

(Amount in Rs. Lakhs)

| Particulars | As at 01.04.2019 | Additions | Capitalised | As at 31.03.2020 |
|--------------------------|---------------------|---------------|---------------|---------------------|
| Capital work in progress | 150.53 | 705.16 | 843.88 | 11.81 |
| Total | 150.53 | 705.16 | 843.88 | 11.81 |

The amount of expenditures recognised in CWIP during construction period

(Amount in Rs Lakhs)

| Particulars | For the year Ended as on 31.03.2021 | For the year Ended as on 31.03.2020 |
|--|--|--|
| (a) Expenses Recognised in P/L | | |
| Employee Benefits Expenses | - | - |
| Total expenses | - | - |
| (b) Capital Inventory and stores | 223.33 | 705.16 |
| Total additions during the year (a) + (b) | 223.33 | 705.16 |

4. INTANGIBLE ASSETS

(Amount in Rs. Lakhs)

| Particulars | Gross block | | | Depreciation/Amortization | | | | Net book value | | |
|---------------------|---------------------|-------------|--------------------------|---------------------------|-----------------|--------------|--------------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2020 | Additions | Deletions/ Adjustment | As at 31.03.2021 | Upto 01.04.2020 | For the Year | Deletions/ Adjustment | Upto 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Software & Licences | 117.26 | 6.05 | - | 123.31 | 114.83 | 4.22 | - | 119.05 | 4.26 | 2.43 |
| Total | 117.26 | 6.05 | - | 123.31 | 114.83 | 4.22 | - | 119.05 | 4.26 | 2.43 |

(Amount in Rs. Lakhs)

| Particulars | Gross block | | | Depreciation/Amortization | | | | Net book value | | |
|---------------------|---------------------|-------------|--------------------------|---------------------------|-----------------|--------------|--------------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2019 | Additions | Deletions/ Adjustment | As at 31.03.2020 | Upto 01.04.2019 | For the Year | Deletions/ Adjustment | Upto 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Software & Licences | 116.36 | 0.90 | - | 117.26 | 99.11 | 15.72 | - | 114.83 | 2.43 | 17.25 |
| Total | 116.36 | 0.90 | - | 117.26 | 99.11 | 15.72 | - | 114.83 | 2.43 | 17.25 |

SAYAJI HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021
NON - CURRENT ASSETS

5 Investment in Subsidiary

(Amount in Rs. Lakhs)

| Particulars | Number of shares Current Year/(Previous Year) | Face Value per share Current Year/(Previous Year) | As at 31st March,2021 | As at 31st March,2020 |
|--|---|--|--------------------------|--------------------------|
| Subsidiary* (Unquoted at cost) | | | | |
| Sayaji Housekeeping Services Ltd (Equity Shares) | 63,65,000 (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) | 68,93,998 (6893998) | 10 (10) | - | 689.40 |
| Sayaji Hotels(Vadodara) Limited | 50000 | 10 | 5.00 | 5.00 |
| Sayaji Hotels Management limited | 50000 | 10 | 5.00 | 5.00 |
| Sayaji Hotels(Pune) Limited | 50000 | 10 | 5.00 | 5.00 |
| Total | | | 652.50 | 1,341.90 |
| Aggregate value of unquoted investments | | | 652.50 | 1,341.90 |

* As per Ind AS 27 (Separate Financial Statements)

6 Non Current Financial Asset: Investments

(Amount in Rs. Lakhs)

| Particulars | Number of shares Current Year/(Previous Year) | Face Value per share Current Year/(Previous Year) | As at 31st March,2021 | As at 31st March,2020 |
|---|---|--|--------------------------|--------------------------|
| A. Trade Investments (Unquoted At FVTPL#)* | | | | |
| Genex Hotels Pvt. Ltd. | 1,100 (1,100) | 10.00 (10.00) | 0.11 | 0.11 |
| Winner Hotels Pvt. Ltd | 2,300 (2,300) | 10.00 (10.00) | 0.23 | 0.23 |
| Less: Provision for Impairment | | | (0.23) | (0.23) |
| Sub-Total (A) | | | 0.11 | 0.11 |
| B. Other Investments (Unquoted at FVTPL)* | | | | |
| Bharat Equity Services Ltd. | 1,00,000 (100000) | 10.00 (10.00) | 0.10 | 0.10 |
| Sub-Total (B) | | | 0.10 | 0.10 |
| Total (A+B) | | | 0.21 | 0.21 |
| Aggregate value of unquoted investments | | | 0.21 | 0.21 |

* As per Ind AS 27 (Separate Financial Statements)

FVTPL - Fair Value Through Profit and Loss

7 Non Current Financial Asset: Loans

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|--------------------------|--------------------------|
| Unsecured, Considered Good | | |
| Security Deposits* | 971.04 | 891.26 |
| Less: Receivables credit impaired | - | - |
| Less: Receivable with significant increase in credit risk | - | - |
| Total | 971.04 | 891.26 |

*As on 31.03.2021 Include Rs.840.58 lacs (Previous year Rs.758.11 lacs) deposit given to Prinite Hospitality Pvt Ltd and Rs.63.69lacs (31 March, 2020 Rs.57.17 Lakhs) given to M/s Vicon Imperial Private Ltd.

8 Non-current Financial Assets: Others

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|-----------------------|-----------------------|
| Fixed Deposits Against lien & Bank Guarantee* | 117.08 | 107.47 |
| Total | 117.08 | 107.47 |

*Maturity after 12 months & pledged with bank against margin money.

9 Deferred Tax assets (net)

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|--|-----------------------|-----------------------|
| On account of Timing Difference in | | |
| Expenses Disallowed under I.T. Act., 1961 | 227.03 | 250.95 |
| Depreciation on fixed assets | 1,113.89 | 1,270.17 |
| Right of Use Assets (Net of Lease Liabilities) | 126.86 | 116.27 |
| Unabsorbed Loss Carried Forward | 524.17 | - |
| Others | 12.86 | 16.58 |
| Total Deferred Tax Assets | 2,004.81 | 1,653.97 |
| Others | 14.04 | 10.61 |
| Preference Shares | 199.33 | 234.38 |
| Transaction cost on borrowings | 3.68 | 13.17 |
| Total Deferred Tax Liabilities | 217.05 | 258.16 |
| Net Deferred Tax(Liability)/Assets* | 1,787.76 | 1,395.81 |
| Amount debited/(Credited) to Reserves & Surplus | (391.95) | (115.53) |

* Deferred tax liability for the year have been arrived at by taking the tax rate of 26% (31 March, 2020 27.82%) which is inclusive of education cess.

Movement in Deferred Tax Asset/Liability For the year ended 31st March, 2021

(Amount in Rs. Lakhs)

| Particulars | Opening Balance As on 01.04.2020 | Recognized in profit or loss | Recognized in OCI/Equity | Closing Balance As on 31.03.2021 |
|---|----------------------------------|------------------------------|--------------------------|----------------------------------|
| Deferred tax assets: | | | | |
| Expenses Disallowed under I.T. Act., 1961 | 250.95 | 18.31 | (42.23) | 227.03 |
| Depreciation on fixed assets | 1,270.17 | (156.28) | - | 1,113.89 |
| Right of Use Assets (Net of Lease Liabilities) | 116.27 | 10.59 | - | 126.86 |
| Impairment on value of Investment in subsidiaries | - | 524.17 | - | 524.17 |
| Others | 16.58 | (3.72) | - | 12.86 |
| Total Deferred Tax Assets | 1,653.97 | 393.07 | (42.23) | 2,004.81 |
| Deferred tax Liabilities: | | | | |
| Others | 10.61 | 7.51 | (4.08) | 14.04 |
| Preference shares | 234.38 | (55.67) | 20.62 | 199.33 |
| Transaction cost on borrowings | 13.17 | (9.49) | - | 3.68 |
| Total Deferred Tax Liabilities | 258.16 | (57.65) | 16.54 | 217.05 |
| Net Deferred Tax(Liability)/Assets | 1,395.81 | 450.72 | (58.77) | 1,787.76 |

SAYAJI HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

10 Other non-current assets (Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|--|--------------------------|--------------------------|
| Capital Advances* | 3.75 | 4.00 |
| Raipur Lease- Stamp Duty Payment Unamortised | 46.85 | 51.54 |
| Electricity Deposit & Other Deposits | 72.16 | 69.33 |
| Total | 122.76 | 124.87 |

*Given for business purpose.

CURRENT ASSETS

11 Inventories (Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|--|--------------------------|--------------------------|
| (Valued at cost or NRV whichever is less & certified by management) | | |
| Operating Supplies | 1,519.26 | 1,717.45 |
| Food & Beverages | 84.17 | 143.03 |
| Total | 1,603.43 | 1,860.48 |

Disclosure As per Ind AS 2, Inventories

(i) Amount of inventories recognised as expense during the year is as under: (Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--------------------|--|--|
| Operating Supplies | 545.84 | 1,139.08 |
| Food & Beverages | 1,528.52 | 4,189.72 |
| Total | 2,074.36 | 5,328.80 |

(ii) Refer Note 25.1 for information on inventory pledged as security by the Company.

12 Current Financial Assets: Trade Receivables (Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|--------------------------|--------------------------|
| Unsecured | | |
| Considered Good | 366.27 | 515.99 |
| Less: Receivable with significant increase in credit risk | (17.82) | (15.01) |
| Less: Receivables credit impaired | - | - |
| Total | 348.45 | 500.98 |

13 Cash and Cash Equivalents (Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|--------------------------|--------------------------|
| Cash on Hand | 14.89 | 54.10 |
| Balances with Bank | | |
| In current Accounts With Scheduled Bank | 310.27 | 311.68 |
| Investment in Liquid Fund | - | - |
| Total | 325.16 | 365.78 |

14 Bank balances other than above (Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|--------------------------|--------------------------|
| Fixed Deposits Against lien (with less than 12 months maturity) | 9.58 | 14.04 |
| Total | 9.58 | 14.04 |

15 Current Financial Assets: Loans (Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|--------------------------|--------------------------|
| Unsecured, Considered good | | |
| Staff Advances & Loan | 18.86 | 19.84 |
| Other loans and advances* | 162.31 | 181.83 |
| Less: Receivables credit impaired | - | - |
| Less: Receivable with significant increase in credit risk | - | - |
| Total | 181.17 | 201.67 |

*Loans and advances have been given for business purposes.

SAYAJI HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

16 Current Financial Assets: Other

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|-------------------|-----------------------|-----------------------|
| Telephone Deposit | 0.32 | 0.34 |
| Others | 600.63 | 324.30 |
| Total | 600.95 | 324.64 |

17 Current Tax Assets (Net)

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|-----------------------|-----------------------|
| Advance Income Tax (Net of Current Tax Provision) | 27.62 | 4.09 |
| Total | 27.62 | 4.09 |

18 Other current assets

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|-----------------------|-----------------------|
| Prepaid Expenses | 113.12 | 93.22 |
| Current portion of Unamortised Stamp Duty Payment of Raipur Lease | 4.69 | 4.69 |
| Advance to suppliers for goods & services* | 17.27 | 45.91 |
| Balance with Govt. authorities | 560.69 | 730.91 |
| Total | 695.77 | 874.73 |

*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.

EQUITY

19 Equity Share Capital

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|--|-----------------------|-----------------------|
| AUTHORISED | | |
| 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 |
| Total | 4,000.00 | 4,000.00 |
| ISSUED | | |
| 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 |
| Total | 1,751.80 | 1,751.80 |
| SUBSCRIBED & PAID-UP | | |
| 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 |
| Total | 1,751.80 | 1,751.80 |

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 2021, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (31 March 2020, Rs. Nil)

19.2 Details of Share holders holding more than 5% of Shares are as under:-

(Amount in Rs. Lakhs)

| Name | Category | As at 31st March,2021 | | As at 31st March,2020 | |
|-----------------------------|----------|-----------------------|--------------|-----------------------|--------------|
| | | % of Shareholding | No of Shares | % of Shareholding | No of Shares |
| Late Shri Sajid R. Dhanani* | Promoter | 13.90% | 2435511 | 13.90% | 2435511 |
| Raoof Razak Dhanani | Promoter | 8.72% | 1527630 | 22.26% | 3898651 |
| Anisha Raoof Dhanani | Promoter | 8.85% | 1550508 | - | - |
| Kayum Razak Dhanani | Promoter | 18.50% | 3241048 | 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 :-

| Particulars | As at 31st March,2021 | | As at 31st March,2020 | |
|---|-----------------------|-----------------|-----------------------|-----------------|
| | Number of Shares | Rs. in Lakhs | Number of Shares | Rs. in Lakhs |
| Outstanding at the beginning of the year | 17,51,80,000 | 1,751.80 | 17,51,80,000 | 1,751.80 |
| Add : Fresh issue during the year | - | - | - | - |
| Outstanding at the end of the year | 17,51,80,000 | 1,751.80 | 17,51,80,000 | 1,751.80 |

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

20 Other Equity

(Amount in Rs. Lakhs)

| Particulars | Note No. | As at 31st March,2021 | As at 31st March,2020 |
|---|----------|-----------------------|-----------------------|
| Equity Component of Cummulative Preference Shares | 20.1 | 940.01 | 881.32 |
| Securities Premium Reserve | 20.2 | 5,944.60 | 5,944.60 |
| General Reserve | 20.3 | 641.48 | 641.48 |
| Retained Earnings | 20.4 | (3,514.33) | (1,460.58) |
| Cash Flow Hedge Reserve | 20.5 | (27.77) | (11.43) |
| Total | | 3,983.99 | 5,995.39 |

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|-----------------------|-----------------------|
| 20.1 Equity Component of Compound financial instrument | | |
| Opening at beginning | 881.32 | 251.66 |
| Addition during the year (Net of Taxes) | 58.69 | 629.66 |
| Utilised during the year | - | - |
| Closing at end | 940.01 | 881.32 |
| 20.2 Securities Premium Reserve | | |
| Opening at beginning | 5,944.60 | 5,944.60 |
| Addition during the year | - | - |
| Utilised during the year | - | - |
| Closing at end | 5,944.60 | 5,944.60 |
| 20.3 General Reserve | | |
| Opening at beginning | 641.48 | 641.48 |
| Addition during the year | - | - |
| Utilised during the year | - | - |
| Closing at end | 641.48 | 641.48 |
| 20.4 Retained Earnings | | |
| Opening at beginning | (1,460.59) | (1,296.67) |
| Adjustments relating to Fixed Assets | - | - |
| Addition during the year | (2,173.95) | (179.56) |
| Net actuarial Gain / (Loss) on defined benefit plan | 120.21 | 15.65 |
| Closing at end | (3,514.33) | (1,460.58) |

SAYAJI HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| | | |
|-------------------------------------|-----------------|-----------------|
| 20.5 Cash Flow Hedge Reserve | | |
| Opening at beginning | (11.43) | - |
| Addition during the year | (16.34) | (11.43) |
| Closing at end | (27.77) | (11.43) |
| Total Other Equity | 3,983.99 | 5,995.39 |

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 were 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 | (Amount in Rs. 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) | (501.30) |
| Add: Addition during the year | (58.69) |
| Equity Component | 940.01 |

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:-

| <u>Name</u> | <u>Category</u> | <u>As at 31st March,2021</u> | | <u>As at 31st March,2020</u> | |
|---------------------|-----------------|------------------------------|---------------------|------------------------------|---------------------|
| | | <u>% of Shareholding</u> | <u>No of Shares</u> | <u>% of Shareholding</u> | <u>No of Shares</u> |
| 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.

21 Non-current Liabilities: Borrowings

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|--|------------------------------|------------------------------|
| A. Secured Borrowings | | |
| Term Loans | | |
| From Banks | 1,440.78 | 2,003.60 |
| From Financial Institutions | 856.01 | 916.31 |
| From NBFC | 1,933.43 | 1,720.96 |
| Total(A) | 4,230.22 | 4,640.87 |
| B.Unsecured Borrowing | | |
| Liability Component of Cummulative Preference Shares | 1,433.34 | 1,357.52 |
| Total(B) | 1,433.34 | 1,357.52 |
| Total(A+B) | 5,663.56 | 5,998.39 |

- 21.1 All secured loans have been netted from the installments falling due within twelve months after the reporting date. Breakup of amount due within 12 months and after 12 months and summarized position is as under:-

| Particulars | As at 31st March,2021 | | As at 31st March,2020 | |
|------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
| | Current | Non-Current | Current | Non-Current |
| From Banks | | | | |
| State Bank of India | 314.30 | 472.29 | 317.01 | 592.28 |
| Axis Bank Ltd | 485.64 | 947.17 | 285.53 | 1,373.37 |
| HDFC Bank Ltd | 16.62 | 21.33 | 15.33 | 37.95 |
| Sub Total (i) | 816.56 | 1,440.79 | 617.87 | 2,003.60 |
| From Financial Institutions | | | | |
| TFCI | 160.00 | 856.01 | 380.00 | 916.31 |
| Sub Total (ii) | 160.00 | 856.01 | 380.00 | 916.31 |
| From NBFC | | | | |
| Aditya Birla Finance Ltd | 305.41 | 1,933.43 | 152.53 | 1,720.96 |
| Sub Total (iii) | 305.41 | 1,933.43 | 152.53 | 1,720.96 |
| GRAND TOTAL (i)+(ii)+(iii) | 1,281.97 | 4,230.23 | 1,150.40 | 4,640.87 |

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 & Aditya Birla Finance 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, Vadodara, Pune and Lease Hold Rights of the Amber Convention Center along with building Structure thereon & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered specifically 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 Indore, Pune and Vadodara Hotel's entire fixed assets, present & future, ranking pari passu with other existing term lenders. The term of repayment is on monthly basis for term loan and 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. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis, This loan is personally guaranteed by Smt Suchitra Dhanani.
- 21.2.7 Corporate loan outstanding from Aditya Birla is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Pune, Vadodara, Lease Hold Rights of the Amber Convention Center along with building 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.

22 Non Current Financial Liabilities: Other

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|-------------------------|--------------------------|--------------------------|
| Deposits From Tenants | 58.81 | 48.01 |
| Lease Liability Payable | 6,427.84 | 6,905.90 |
| Others* | 2,000.00 | 2,000.00 |
| Total | 8,486.65 | 8,953.91 |

*Payable towards cancellation of agreement for land at Indore hotel. This amount is now payable FY 2023-24. Interest @ 9% p.a is payable on the outstanding amount.

23 Provisions

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---------------------------------|--------------------------|--------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 340.42 | 346.59 |
| Leave Encashment | 233.04 | 254.54 |
| Total | 573.46 | 601.13 |

24 Deferred Revenue

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|--------------------------|--------------------------|
| (a) Subsidy received from M.P. State Tourism Development Corp. Ltd.* | | |
| Balance at the beginning of the year | 468.82 | 530.12 |
| Add: Received During the Year | - | - |
| Less: Amortised During the Year | (53.21) | (61.30) |
| | 415.61 | 468.82 |
| Less : Current Portion | (46.43) | (53.21) |
| Non Current Balance at the end of the year | 369.18 | 415.61 |
| (b) Life Membership Fees | | |
| Balance at the beginning of the year | 42.38 | 49.07 |
| Add: Received During the Year | - | - |
| Less: Amortised During the Year | (6.69) | (6.69) |
| | 35.69 | 42.38 |
| Less : Current Portion | (6.69) | (6.69) |
| Non Current Balance at the end of the year | 29.00 | 35.69 |
| Total Balance at the end of the year | 398.18 | 451.30 |

* 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

25 Current Financial Liabilities: Borrowings

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---------------------------------------|-----------------------|-----------------------|
| A. Secured | | |
| Working capital facilities from Banks | 551.09 | 32.56 |
| Total (A) | 551.09 | 32.56 |
| B. Unsecured | | |
| Loans From related parties | 3.66 | 25.07 |
| Loans From others | 377.67 | 571.60 |
| Total (B) | 381.33 | 596.67 |
| Total (A+B) | 932.42 | 629.23 |
| Grand Total | 932.42 | 629.23 |

25.1 Working capital facilities include Cash Credit Facilities from Axis Bank outstanding Rs. 551.09 lacs (at 31 March 2020 Rs.32.56 lacs), 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.

26 Current Financial Liabilities: Trade Payables

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|--|-----------------------|-----------------------|
| Trade Payables* | | |
| (A) Dues of micro enterprises and small enterprises | 26.37 | 15.64 |
| (B) Dues of creditors other than micro enterprises and small enterprises | 1,122.16 | 1,266.48 |
| Total | 1,148.53 | 1,282.12 |

*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:

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|-----------------------|-----------------------|
| Principal amount due to micro and small enterprises | 26.37 | 15.64 |
| 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 2020, Rs. Nil)

27 Current Financial Liabilities: Other

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|--------------------------|--------------------------|
| Current Maturities of Long-Term Loans* | | |
| A. Secured Term Loans | | |
| From Banks | 816.56 | 617.87 |
| From Financial Institutions | 160.00 | 380.00 |
| From NBFC | 305.41 | 152.53 |
| Total (A) | 1,281.97 | 1,150.40 |
| B. Others | | |
| Creditors for capital Expenditure | 49.95 | 119.58 |
| Lease Liability Payable | 676.15 | 501.06 |
| Prepaid Lease Income | 13.77 | 17.23 |
| Derivative Liabilities | 28.70 | 4.42 |
| Total (B) | 768.57 | 642.29 |
| Total (A+B) | 2,050.54 | 1,792.69 |

* Refer note no.- 21.1 & 21.2 for loanwise current maturities and other terms and conditions.

28 Provisions

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---------------------------------|--------------------------|--------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 52.38 | 76.42 |
| Leave Encashment | 35.87 | 56.12 |
| Bonus | 164.95 | 192.95 |
| Provision for Expenses | 164.46 | 189.96 |
| Total | 417.66 | 515.45 |

29 Current Tax Liabilities (Net)

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|--------------------------------|--------------------------|--------------------------|
| Provision for current year Tax | - | - |
| Total | - | - |

30 Other Current Liabilities

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|-------------------------------------|--------------------------|--------------------------|
| Advance received from customers | 576.45 | 410.95 |
| Current portion of deferred revenue | 53.12 | 59.90 |
| Statutory Dues | 194.13 | 400.53 |
| Book Overdrafts | - | 92.51 |
| Others | 15.01 | 10.00 |
| Total | 838.71 | 973.89 |

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.

SAYAJI HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

31 Revenue From Operations (Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Sale of Products & Services (Gross) | | |
| Rooms | 2,794.72 | 7,721.20 |
| Food and Beverages | 4,165.30 | 11,354.95 |
| Other Services* | 557.16 | 1,893.28 |
| Total | 7,517.18 | 20,969.43 |

*Revenue from others services includes income from club, rental income and income from banquet service etc.

32 Other Income (Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Interest Earned | 19.84 | 16.39 |
| Finance income on security deposit | 93.14 | 84.02 |
| Other Non –Operating Income | 48.94 | 112.16 |
| Excess/(Short) Provision of Earlier Year Written Back | 14.33 | 55.96 |
| Lease rent concession | 552.40 | --- |
| Deferred Revenue Income (Subsidy) | 53.21 | 61.30 |
| Total | 781.86 | 329.83 |

33 Food & Beverages Consumed (Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|----------------------|--|--|
| Opening Stock | 143.03 | 149.12 |
| Add : Purchases* | 1,469.66 | 4,183.63 |
| | 1,612.69 | 4,332.75 |
| Less : Closing Stock | 84.17 | 143.03 |
| Total | 1,528.52 | 4,189.72 |

*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages

34 Employee Benefit Expenses (Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--------------------------------------|--|--|
| Salaries, Wages and Allowances | 1,897.13 | 5,056.50 |
| Contribution to P.F. and other Funds | 123.39 | 325.77 |
| Workmen and Staff Welfare Expenses | 16.07 | 65.39 |
| Workmen and Staff Uniform Expenses | 54.41 | 164.30 |
| Total | 2,091.00 | 5,611.96 |

35 Finance Cost (Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Interest on term Loan | 651.82 | 604.12 |
| Interest on Others | 305.32 | 471.41 |
| Finance cost on lease payable & Other Financial Liabilities | 825.48 | 886.79 |
| Other expenses | 63.84 | 5.14 |
| Finance cost on Preference Share | 155.13 | 216.28 |
| Other borrowing cost | 4.81 | --- |
| Total | 2,006.40 | 2,183.74 |

Interest expense includes interest paid on term loans & vehicle loans. Interest on others includes interest on credit facilities. Other expenses includes bank charges, processing fees & upfront fees of loans. Other borrowing cost includes forward premium.

36 Operating Expenses**(Amount in Rs. Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|------------------------------|--|--|
| Stores & Operating Supplies* | 303.62 | 526.25 |
| Repairs and Maintenance | | |
| Building | 68.92 | 477.17 |
| Plant & Machinery | 75.52 | 156.87 |
| Others | 67.34 | 217.95 |
| Laundry Expenses | 77.51 | 228.09 |
| Guest pick up Expenses | 32.68 | 245.63 |
| Cable TV Expenses | 15.88 | 29.51 |
| Banquet Service expenses | 172.26 | 680.07 |
| Other Operating Expenses** | 242.22 | 612.83 |
| Power and Fuel | 833.20 | 1,787.30 |
| Total | 1,889.15 | 4,961.67 |

*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

**Other Operating Expenses includes house keeping & upkeeping expenses, expenses for F&B operations & club.

37 Other Expenses**(Amount in Rs. Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---------------------------------------|--|--|
| Lease Rent | 134.15 | 229.89 |
| Rates & Taxes | 186.35 | 176.67 |
| Insurance | 32.30 | 26.21 |
| Travelling and Conveyance | 31.09 | 74.03 |
| Postage, Telegram and Telephones | 31.57 | 63.51 |
| Advertisement and Publicity | 27.42 | 77.08 |
| Legal & Professional | 139.41 | 215.14 |
| Printing and Stationery | 15.93 | 47.79 |
| Credit Card Commission | 33.04 | 107.74 |
| Other Expenses | 216.19 | 341.30 |
| Auditors' Remuneration | | |
| Statutory audit | 8.00 | 8.00 |
| Certification other matters | 2.00 | 2.00 |
| Sundry Balances W/off | (19.46) | 2.76 |
| Provision for doubtful debts | 5.67 | 19.45 |
| Loss on Impairment of Investment | - | 0.52 |
| Loss On Disposal/Retirement of Assets | 1.42 | (13.15) |
| Total | 845.08 | 1,378.94 |

38 Exceptional Items Expense/(Income)**(Amount in Rs. Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Payments under Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019** | - | 469.40 |
| Total | - | 469.40 |

**Company has opted the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 announced by the Government for settlement of disputed matters of Service Tax, Excise etc. Total amount involved under such disputed matters was 992.70 lakhs which has been settled under the Scheme at Rs. 469.40 lakhs.

39 Earnings Per Share

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| a) Amount used as the numerator profit after tax | (2,173.95) | (179.56) |
| Less: Dividend on Preference Shares & Income Tax Thereon | 120.56 | 120.56 |
| Net Profit/(Loss) attributable to equity share holders | (2,294.51) | (300.12) |
| basic earning per share. equity shares. | 1,75,18,000 - | 1,75,18,000 - |
| Weighted average number of shares used in computing Diluted Earning per Share | 1,75,18,000 | 1,75,18,000 |
| c) Nominal value per share | 10 | 10 |
| d) Earnings Per Share: | | |
| - Basic | (13.10) | (1.71) |
| - Diluted | (13.10) | (1.71) |

40 Disclosure as per Ind AS-7, Cash Flow Statement

The Company has accessed the following undrawn facilities at the end of reporting period

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---------------------------------|-----------------------|-----------------------|
| Working capital Loans | | |
| Expiring Within One Year | 323.91 | 842.44 |
| Floating Rate Borrowings | | |
| Expiring Within One Year | - | - |

41 Disclosure As per Ind AS-12 Income Taxes**i) Income Tax recognised in statement of profit & loss account.**

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Current Tax Expenses | | |
| Current year | - | 191.66 |
| Adjustment for earlier year | (44.02) | (28.93) |
| Total current Tax expenses | (44.02) | 162.73 |
| Deferred Tax Expenses | (450.72) | (359.85) |
| Total Income tax expenses | (494.74) | (197.12) |

ii) Income tax recognised in other comprehensive income

(Amount in Rs. Lakhs)

| Particular | For the year ended 31st March, 2021 | | | For the year ended 31st March, 2020 | | |
|--|-------------------------------------|-------------------------|---------------|-------------------------------------|-------------------------|---------------|
| | Before tax | Tax expense/ Benefit | Net of tax | Before tax | Tax expense/ Benefit | Net of tax |
| -Net actuarial gain/loss on defined benefit plan | 162.44 | (42.23) | 120.21 | 21.68 | (6.03) | 15.65 |
| -Changes in cash flow hedge reserve | (20.42) | 4.08 | (16.34) | (15.83) | 4.40 | (11.43) |

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|-------------------------------------|-------------------------------------|
| Profit before tax | (2,668.69) | (376.68) |
| Tax using company's domestic tax rate 26%(P.Y. 27.82%) | (693.86) | (104.79) |
| Add/(Less): Earlier Year tax | (44.02) | (28.93) |
| Add/(Less): Expenses not Allowed in Income Tax | 0.37 | (6.85) |
| Add/(Less): Deferred Tax Expense | - | - |
| Add/(Less): Exempt Income | (13.84) | (17.05) |
| Add/(Less): Others | 256.61 | (39.50) |
| Tax as per Statement of Profit & Loss | (494.74) | (197.12) |
| Effective Rate Of Tax | 18.54% | 52.33% |

42 Disclosure as per Ind AS-116, Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 by adopting 'modified retrospective approach' and accordingly company has not restated the comparative information. Further, in respect of leases that were classified as operating leases applying Ind AS 17, there is no impact on opening retained earnings. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset is measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments, relating to that lease recognised in the balance sheet immediately before the date of initial application i.e. 01.04.2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use assets' of Rs.10631.57 lakhs and a lease liability of Rs.7809.33 lakhs. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Consequent to the application of this standard, lease cost for the year was lower by Rs.779.73 lakhs, depreciation and interest is higher by Rs. 1040.33 lakhs and Rs.825.48 lakhs respectively and Profit before taxes is lower by Rs.1086.08lakhs. (Refer Note 2 for details with respect to 'Right-of-Use assets')

The summary of practical expedients elected on initial application is as follows:

- The company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- The company has not recognised right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- The company has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

"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 overall lease rentals for the period are as follows:

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 |
|---|-------------------------------------|
| Minimum Lease payment/ Fixed Rentals | 913.89 |
| Contingent rent recognised in Profit or Loss as Lease Cost. | (779.74) |
| Total | 134.15 |

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:-

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 |
|--|------------------|
| Minimum Lease payment | |
| Not later than one year; (including notional interest component) | 1,450.47 |
| Later than one year and not later than five years; | 3,788.57 |
| Later than five years; | 29,732.42 |
| Total | 34,971.46 |

The bifurcation of total lease liabilities into Current and Non-Current is as follows:

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 |
|---|------------------|
| Current (excluding interest component on lease liability) | 676.15 |
| Non - Current | 6,427.84 |
| Total | 7,103.99 |

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, 2021:-

Changes in Present Value of Obligation

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------|-----------|
| Present value of obligation as on last valuation | 423.01 | 362.38 |
| Current Service Cost | 75.45 | 81.15 |
| Interest Cost | 30.45 | 27.55 |
| Participant Contribution | - | - |
| Plan Amendments: Vested portion at end of period(Past Service) | - | - |
| Plan Amendments: Non-Vested portion at end of period(Past Service) | - | - |
| Actuarial gain/loss on obligations due to Change in Financial Assumption | 21.98 | 19.18 |
| Actuarial gain/loss on obligations due to Change in Demographic assumption | - | - |
| Actuarial gain/loss on obligations due to Unexpected Experience | (158.09) | (67.25) |
| 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 | - | - |
| Curtailement cost | - | - |
| Settlement Cost | - | - |
| Other(Unsettled Liability at the end of the valuation date) | - | - |
| Present value of obligation as on valuation date | 392.80 | 423.01 |

Changes in Fair Value of Plan Assets

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------|-----------|
| Fair value of Plan Assets at Beginning of period | 26.26 | 24.54 |
| Interest Income | 1.98 | 1.87 |
| Employer Contributions | - | - |
| Participant Contributions | - | - |
| Acquisition/Business Combination | - | - |
| Settlement Cost | - | - |
| 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 | - | (0.15) |
| Fair value of Plan Assets at End of measurement period | 28.24 | 26.26 |

Table Showing Reconciliation to Balance Sheet

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|---|-----------|-----------|
| Funded Status | (364.56) | (396.75) |
| 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 | 28.24 | 26.26 |
| Fund Liability | (392.80) | 423.01 |

Table Showing Plan Assumptions

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|----------------------------------|----------------------------------|
| Discount Rate | 5.75% | 6.78% |
| Expected Return on Plan Asset | - | - |
| Rate of Compensation Increase(Salary Inflation) | 6.00% | 6.00% |
| Pension Increase Rate | N/A | N/A |
| Average expected future service (Remaining working Life) | N/A | 27.96 |
| Mortality Table | IALM 2012-2014 Ultimate | IALM 2012-2014 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% | 32% |
| Voluntary Retirement | Ignored | Ignored |

Expense Recognized in statement of Profit/Loss

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------|-----------|
| Current Service Cost | 75.45 | 81.15 |
| Past Service Cost(vested) | - | - |
| Past Service Cost(Non-Vested) | - | - |
| Net Interest Cost | 30.45 | 27.55 |
| 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) | 104.12 | 106.83 |

Expense Recognized in Other Comprehensive Income

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------------|----------------|
| Actuarial gain/loss on obligations due to Change in Financial Assumption | 21.98 | 19.18 |
| Actuarial gain/loss on obligations due to Change in Demographic assumption | - | - |
| Actuarial gain/loss on obligations due to Unexpected Experience | (184.34) | (67.27) |
| Actuarial gain/loss on obligations due to Other reason | - | - |
| Total Actuarial (gain)/losses | (162.36) | (48.09) |
| Return on Plan Asset, Excluding Interest Income | 0.08 | 0.15 |
| The effect of asset ceiling | - | - |
| Balance at the end of the Period | (162.43) | (21.68) |
| Net(Income)/Expense for the Period Recognized in OCI | (162.43) | (21.68) |

Sensitivity Analysis

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | | 31-Mar-20 | |
|---|-----------|----------|-----------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate (-/+ 1%) | 374.33 | 420.26 | 401.42 | 449.65 |
| %Change Compared to base due to sensitivity | -6.75% | 4.75% | -5.10% | 5.80% |
| Salary Growth (-/+1%) | 417.96 | 369.90 | 447.53 | 398.88 |
| %Change Compared to base due to sensitivity | 7.00% | -5.00% | 6.30% | -5.70% |

Table Showing Cash Flow Information

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|------------------------------|-----------|-----------|
| Next Year Total (Expected) | 364.56 | 475.52 |
| Minimum Funding Requirements | 364.56 | 475.52 |

Bifurcation of Net liability

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|------------------------|---------------|---------------|
| Current liability | 52.38 | 76.42 |
| Non-Current Liability | 340.42 | 346.59 |
| Total Liability | 392.80 | 423.01 |

(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).

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Contribution towards Provident Fund | 123.39 | 325.77 |
| Total | 123.39 | 325.77 |

(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).

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|------------------|-------------------------------------|-------------------------------------|
| Leave Encashment | 48.88 | 69.02 |
| Total | 48.88 | 69.02 |

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. 12, resulted in net gain of Rs.0 Lakhs (PY Rs. 0 Lakhs) which has been accounted under relevant heads in Statement of Profit and loss.

44 Disclosure as Per Ind AS-24, Related Party Disclosure

List of Related Parties

1 Subsidiary Companies

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.Raof Razak Dhanani | Managing 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

Winner Hotels Pvt Ltd
 Vicon Imperial Pvt. Ltd.
 Printe Hospitality Pvt Ltd
 Malwa Hospitality Pvt Ltd
 Kshipra Restaurants Pvt Ltd

5 Relatives of KMPs

Zuber Y Dhanani
 Azher Y Dhanani
 Saba R Dhanani
 Sadiya R Dhanani
 Sara K Dhanani
 Sanya S Dhanani
 Rizwan R Sheikh
 Varsha Khandelwal
 Sumeira Dhanani
 Jameel Taheer Sayed

| Sr.No. | Nature of Transactions | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-----------|--|-------------------------------------|-------------------------------------|
| A | KEY MANAGEMENT PERSONNEL | | |
| | Remuneration/ Salary | 51.99 | 68.00 |
| | Payable At The Year End | 3.67 | 25.07 |
| | Payment Of Interest | - | 131.40 |
| B. | SUBSIDIARY COMPANIES | | |
| | Income From Business Support Services | 0.36 | 11.48 |
| | Business Support Services expenses | 1.84 | - |
| | Reimbursement of other Expenses | 2.84 | - |
| | Purchase/Sale of Inventory | 0.16 | - |
| | Interest Income | 2.21 | - |
| | Loan Given | 277.00 | - |
| C | ASSOCIATE COMPANIES/ FIRMS/ RELATIVES | | |
| | Rental Expenses | 730.47 | 1,154.72 |
| | Income From Business Support Services | 20.61 | 150.33 |
| | Receivable At The Year End | 336.59 | 123.40 |
| | Payable At The Year End | 27.34 | 151.40 |
| | Reimbursement of expenses | - | 65.35 |
| | Lease Rent And Cam Charges Received | 24.90 | 42.00 |
| | Royalty | 4.13 | - |
| | Payment Of Interest | 10.10 | 13.53 |
| | Payment Of Salary | 15.33 | 26.04 |
| | Payment Of Professional Fee | 4.68 | 9.00 |
| D | Sale of Investment to Promoters | | |
| | Aries Hotels Private Limited | - | 770.20 |
| | Malwa Hospitality Private Limited | 689.40 | - |
| | Total | 689.40 | 770.20 |

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, 2021 | 31st March, 2020 |
| Malwa Hospitality Private Limited | India | - | 51.67% |
| Sayaji Housekeeping Services Limited | India | 100.00% | 100.00% |
| Sayaji Hotels(Vadodara) Limited | India | 100.00% | 100.00% |
| Sayaji Hotels Management limited | India | 100.00% | 100.00% |
| Sayaji Hotels(Pune) Limited | India | 100.00% | 100.00% |

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 is given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs.2400 lakhs (P.Y. Rs 2400 lakhs).Outstanding balance of loan of Malwa Hospitality Pvt Ltd there against for the year ended 31st March, 2021 from SBI is Rs.800.26 lakhs (P.Y Rs 1317.39 lakhs). Corporate Guarantee is given for the GECL Facility of Malwa Hospitality Pvt Ltd. of Rs 270 Lakhs. Outstanding Balance of the Facility for the year ended 31st March,2021 is 270.43 lakhs(P.Y-Nil)
- (ii) Custom duties saved against imports under EPCG scheme is Rs. 229.72 lakhs (P.Y Rs 229.72 lakhs)
- (iii) Disputed liability of Rs 13.89 lakhs (P.Y. 3.56 lakhs) not provided for in respect of Income Tax TDS (AY 2009-10,2010-11,2012-13 and 2014-15)
- (iv) Disputed liability of Rs 1.09 Crs not provided for in respect of Income Tax (AY 2014-15) the matters are pending before ITAT -Ahmedabad.
- (v) Disputed liability of Rs 53.47 lakhs not provided for in respect of Commercial tax (FY 2015-16 & 2016-17). The matters are pending before Commissioner -Appeal Commercial tax ,Indore. (P.Y. Rs. 17.01 Lakhs)
- (vi) Disputed liability of Rs 1.76 lakhs not provided for in respect of Commercial tax (FY 12-13 & 14-15). The matter is pending before Appellate Tribunal- Commercial tax ,Indore. (P.Y. Rs. 1.76 Lakhs)
- (vii) 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. 55.12 lakhs).
- (viii) Arrears of Cumulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 720.82 lakhs (P.Y. Rs.600.26 lakhs).
- (ix) 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. Last date of hearing was 13th March 2020 and thereafter dates not fixed in view of the ongoing pandemic Covid19. 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 order under the said eviction proceedings. Last date of hearing in eviction matter was 26th February 2020 and thereafter dates not fixed in view of the ongoing pandemic Covid19.
- (x) 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.
- (xi) Disputed liability of Rs. 10.31 lakhs not provided for in respect of cases filed in labour court. (P.Y. Rs. 1.29 lakhs)
- (xii) Disputed liability of Rs. 16.10 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Indore. (P.Y. 16.10 lakhs)
- (xiii) Disputed liability of Rs. 50.00 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Bhopal. (P.Y.50 lakhs)

II Commitments

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil lakhs)

III Other Notes

Company had filed an application before NCLT, Chennai for approval of composite scheme of amalgamation and demerger. The scheme involved amalgamation of Ahilya Hotels Limited (holding 14.01% shares in the company) with the Company. Further, it involved demerger of Pune & Vadodara hotel into a new company viz. Sayaji Hotels (Pune) Limited (SHPL). The scheme further involved 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). In the Board meeting dated 14.11.2019 company has decided to withdraw the scheme and hence on 11th December 2019 Company has applied to NCLT, Chennai for withdrawal of the scheme and on 18th January 2021 got the order of withdrawal of scheme.

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, 2021 and March 31, 2020.

48 Disclosure as per Ind AS-105, Non Current Asset Held for Sale and Discontinued Operations

In the Board meeting dated 03/12/2020 , the directors of Sayaji Hotels Limited decided to sell investment in Malwa Hospitality Pvt Ltd to Mr. Raoof Razak Dhanani and the sale was completed in FY 2020-21.

Investment was sold for its acquisition value so no Profit or Loss has been booked on the same.

49 Earnings in Foreign Currency :

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|-------------------------------------|-------------------------------------|
| Earnings in Foreign Currency | | |
| -Sale of Rooms and Food Beverages (Inclusive of Taxes) | 75.71 | 1,231.75 |
| CIF Value of imports & Expenditure (on accrual basis) | | |
| -Import Value of Capital Goods | - | - |
| -Import Value of Non-Capital Goods | 12.51 | 11.19 |

50 Disclosure as per Ind AS-107, Financial Instruments**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

a) 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, 2021 and March 31st, 2020 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.

(i) Carrying amount of maximum credit risk as on reporting date

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|--|------------------|------------------|
| Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL) | | |
| Non-current Investment | 0.21 | 0.21 |
| Non-current Loans | 971.04 | 891.26 |
| Other Non-Current Financial Assets | 117.08 | 107.47 |
| Cash & Cash Equivalent | 325.16 | 365.78 |
| Bank balances other than cash and cash equivalents | 9.58 | 14.04 |
| Current Loans | 181.17 | 201.67 |
| Other Current Financial Assets | 600.95 | 324.64 |
| Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL) | | |
| Investment in Subsidiaries | 652.50 | 1,341.90 |
| Trade Receivables | 348.45 | 500.98 |
| Total | 3,206.14 | 3,747.95 |

(ii) Ageing of trade receivables

The Ageing of trade receivables is as below:

(Amount in Rs. 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 31.03.2021 | 135.96 | 151.44 | 26.17 | 29.74 | 22.96 | 366.27 |
| Impairment loss recognised on above | 1.77 | - | - | - | 16.05 | 17.82 |
| Gross Carrying amount as on 31.03.2020 | 49.45 | 382.56 | 29.27 | 27.01 | 27.70 | 515.99 |
| Impairment loss recognised on above | - | - | - | 1.07 | 13.94 | 15.01 |

(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:

(Amount in Rs. Lakhs)

| Particulars | Trade Receivables | Investment in subsidiaries | Advances | Total |
|-------------------------------------|-------------------|----------------------------|----------|--------------|
| Balance as at March 31, 2020 | 15.01 | 0.23 | - | 15.24 |
| Impairment loss recognised | 5.67 | - | - | 5.67 |
| Amounts written off | 2.86 | - | - | 2.86 |
| Balance as at March 31, 2021 | 17.82 | 0.23 | - | 18.05 |

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will 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:

(Amount in Rs. Lakhs)

| Particulars | On Demand | Within 1 year | 1-2 years | 2-5 years | More than 5 years | Total |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|------------------|
| Year ended March 31st, 2021 | | | | | | |
| Term Loans* | - | 1,281.97 | 1,612.39 | 2,617.84 | - | 5,512.20 |
| Trade Payables | 1,148.53 | - | - | - | - | 1,148.53 |
| Cash credit | 551.09 | - | - | - | - | 551.09 |
| Other Payables | - | 381.33 | 2,000.00 | - | 1,492.15 | 3,873.48 |
| Finance Lease Payable | - | - | - | - | - | - |
| Other Financial Liabilities# | - | 768.57 | 659.37 | 547.67 | 5,220.80 | 7,196.41 |
| Total | 1,699.62 | 2,431.87 | 4,271.76 | 3,165.51 | 6,712.95 | 18,281.71 |

| Particulars | On Demand | Within 1 year | 1-2 years | 2-5 years | More than 5 years | Total |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|------------------|
| Year ended March 31st, 2020 | | | | | | |
| Term Loans* | - | 1,150.40 | 1,462.12 | 3023.43 | 155.32 | 5,791.27 |
| Trade Payables | 1,282.12 | - | - | - | - | 1,282.12 |
| Cash credit | 32.56 | - | - | - | - | 32.56 |
| Other Pyables | - | 596.67 | - | 2,000.00 | 1,405.53 | 4,002.20 |
| Finance Lease Payable | - | - | - | - | - | - |
| Other Financial Liabilities# | - | 642.29 | 602.41 | 944.26 | 5,359.23 | 7,548.19 |
| Total | 1,314.68 | 2,389.35 | 2,064.53 | 5,967.69 | 6,920.08 | 18,656.34 |

* 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. 30.

c) 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:

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|------------------------------|------------------|------------------|
| Financial Liabilities | | |
| Borrowings in USD | 786.50 | 779.49 |
| Derivative Liability | 28.70 | 4.42 |

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:

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|----------------------------------|------------------|------------------|
| Financial Assets | | |
| Fixed Rate | | |
| Security Deposit | 971.04 | 891.26 |
| Bank Deposit | 126.66 | 121.51 |
| Total | 1,097.70 | 1,012.77 |
| Financial Liabilities | | |
| Fixed Rate | | |
| Working capital loans | 551.09 | 32.56 |
| Unsecured Loans | 1,814.67 | 1,954.19 |
| Sub-Total (i) | 2,365.76 | 1,986.75 |
| Variable Rate Instruments | | |
| Term Loans | 5,512.19 | 5,791.27 |
| Sub-Total (ii) | 5,512.19 | 5,791.27 |
| Total (i) + (ii) | 7,877.95 | 7,778.02 |

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:

(Amount in Rs. Lakhs)

| Particulars | Effect of Profit or Loss | |
|------------------------|--------------------------|----------------|
| | 50 bp increase | 50 bp decrease |
| 31st March 2021 | | |
| Financial Liabilities | (2.76) | 2.76 |
| | (2.76) | 2.76 |
| 31st March 2020 | | |
| Financial Liabilities | (2.90) | 2.90 |
| | (2.90) | 2.90 |

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.

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.

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|----------------------------------|------------------|------------------|
| Gross Debt | 7,877.95 | 7,778.02 |
| Less : Cash and cash equivalents | (325.16) | (365.78) |
| Net Debt (A) | 7,552.79 | 7,412.24 |
| Total Equity (B) | 5,735.79 | 7,747.19 |
| Gearing Ratio (A/B) | 1.32 | 0.96 |

Financial Instruments By Category

(Amount in Rs. Lakhs)

| Particulars | As at 31st March, 2021 | | |
|----------------------------------|------------------------|----------|------------------|
| | FVTPL | FVTOCI | Amortized cost |
| Financial Assets: | | | |
| Investment | | | |
| - Equity Instrument (unquoted) | 0.21 | - | - |
| Loans | - | - | 1,152.21 |
| Trade Receivables | - | - | 348.45 |
| Cash and Cash Equivalents | - | - | 325.16 |
| Other Bank Balance | - | - | 9.58 |
| Other financial assets | - | - | 718.03 |
| Total Financial Assets | 0.21 | - | 2,553.43 |
| Financial Liability: | | | |
| Borrowings | - | - | 6,595.98 |
| Derivative Liability | 28.70 | - | - |
| Trade Payable | - | - | 1,148.53 |
| Other Financial Liabilities | - | - | 10,508.49 |
| Total Financial Liability | 28.70 | - | 18,253.00 |

(Amount in Rs. Lakhs)

| Particulars | As at 31st March, 2020 | | |
|----------------------------------|------------------------|----------|------------------|
| | FVTPL | FVTOCI | Amortized cost |
| Financial Assets: | | | |
| Investment | | | |
| - Equity Instrument (unquoted) | 0.21 | - | - |
| Loans | - | - | 1,092.93 |
| Trade Receivables | - | - | 500.98 |
| Cash and Cash Equivalents | - | - | 365.78 |
| Other Bank Balance | - | - | 14.04 |
| Other financial assets | - | - | 432.11 |
| Total Financial Assets | 0.21 | - | 2,405.84 |
| Financial Liability: | | | |
| Borrowings | - | - | 6,627.62 |
| Derivative Liability | 4.42 | - | - |
| Trade Payable | - | - | 1,282.12 |
| Other Financial Liabilities | - | - | 10,742.18 |
| Total Financial Liability | 4.42 | - | 18,651.92 |

*The above excludes investments in subsidiaries and associates amounting to Rs 1341.90 Lakhs

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,2021

Financial Instrument measured at Fair Value - recurring fair value measurement

(Amount in Rs. Lakhs)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------|---------|--------------|-------------|--------------|
| Financial Assets | | | | |
| Investment | | | | |
| - Equity Instrument (unquoted) | - | - | 0.21 | 0.21 |
| -Non Current Asset held for sale | - | - | - | - |
| Financial Liabilities | | | | |
| Derivatives | - | 28.70 | - | 28.70 |
| Total | - | 28.70 | 0.21 | 28.91 |

As at 31st March,2020

Financial Instrument measured at Fair Value - recurring fair value measurement

(Amount in Rs. Lakhs)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|---------|-------------|-------------|-------------|
| Financial Assets | | | | |
| Investment | | | | |
| - Equity Instrument (unquoted) | - | - | 0.21 | 0.21 |
| Financial Liabilities | | | | |
| Derivatives | - | 4.42 | - | 4.42 |
| Total | - | 4.42 | 0.21 | 4.63 |

(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:

| | |
|----------------|--|
| Level 1 | 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. |
| Level 2 | 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. |
| Level 3 | 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

(Amount in Rs. Lakhs)

| Particulars | As at 31st March,2021 | | |
|--|-----------------------|----------------|------------|
| | Level | Carrying Value | Fair Value |
| Financial Assets | | | |
| Trade Receivables | 3 | 348.45 | 348.45 |
| Cash and Cash Equivalents | 3 | 325.16 | 325.16 |
| Bank balances other than cash and cash equivalents | 3 | 9.58 | 9.58 |
| Loan to Employees | 3 | 18.86 | 18.86 |
| Security deposit | 3 | 971.04 | 971.04 |
| Other Financial Assets | 3 | 718.03 | 718.03 |
| Financial Liabilities | | | |
| Borrowings | 3 | 6,595.98 | 6,595.98 |
| Trade Payables | 3 | 1,148.53 | 1,148.53 |
| Other Financial Liabilities | 3 | 10,537.19 | 10,537.19 |

(Amount in Rs. Lakhs)

| Particulars | As at 31st March, 2020 | | |
|--|------------------------|----------------|------------|
| | Level | Carrying Value | Fair Value |
| Financial Assets | | | |
| Trade Receivables | 3 | 500.98 | 500.98 |
| Cash and Cash Equivalents | 3 | 365.78 | 365.78 |
| Bank balances other than cash and cash equivalents | 3 | 14.04 | 14.04 |
| Loan to Employees | 3 | 19.84 | 19.84 |
| Security deposit | 3 | 891.26 | 891.26 |
| Other Financial Assets | 3 | 432.11 | 432.11 |
| Financial Liabilities | | | |
| Borrowings | 3 | 6,627.62 | 6,627.62 |
| Trade Payables | 3 | 1,282.12 | 1,282.12 |
| Other Financial Liabilities | 3 | 10,746.60 | 10,746.60 |

53 Disclosure as per Ind AS-115, Revenue from Contract with Customers

(Amount in Rs. Lakhs)

| (i) Revenue from contract with customers | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|-------------------------------------|-------------------------------------|
| Rooms | 2,794.72 | 7,721.20 |
| Food and Beverages | 4,165.30 | 11,354.95 |
| Other Services | 557.16 | 1,893.28 |

(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.

(Amount in Rs. Lakhs)

| Particulars | At a point in time | | Over the period of time. | |
|--------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| Rooms | 2,794.72 | 7,721.20 | - | - |
| Food and Beverages | 4,165.30 | 11,354.95 | - | - |
| Other Services | 557.16 | 1,893.28 | - | - |

54 Going Concern :-

Negative working capital:

As at the year end, the Company's current liabilities have exceeded its current assets by Rs.1595.73 lakhs primarily on account of current maturities of long term borrowings aggregating to Rs. 1281.97 lakhs & Lease Liability of Rs. 676.15 Lakhs. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

Impact of COVID-19 :

The Company faces significant uncertainties due to COVID-19 which have severely impacted the operations of the Company adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections.

During the year the Company has availed moratorium facilities granted by Reserve Bank of India and also availed the financial assistance to the tune of Rs. 9.44 crore from its lenders under the Guaranteed Emergency Credit Line scheme of the Central Government. The promoters has reaffirmed their commitment to arrange funds for the operational requirements of the company to avoid any disruption to the operations. Also refer note 6 under point no. D (Major Estimates in Preparing Financial Statements in the Significant Accounting Policies-1) Estimation uncertainty relating to the global health pandemic on COVID-19.

Based on aforesaid assessment, management believes that, as per the estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2021.

Significant Accounting Policies and other Notes 1-54

These notes form an integral part of these financial statements

In term of our report attached

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

For and on behalf of Board of Directors

Himanshu Sharma
Partner
M.No. 402560

T.N Unni
Director
DIN. 00079237

Raof Razak Dhanani
Managing Director
DIN. 00174654

Place: Indore
Date: 30th June, 2021

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

UDIN: 21402560AAAAHZ2563

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 Ind AS 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, 2021, 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 Ind AS financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS 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 Group as at March 31, 2021, 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.

Emphasis of matter

We draw attention to Note No. 55 to the Consolidated Financial Statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the Management.

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

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 data-bbox="239 683 750 739"><i>Impact of COVID-19 pandemic on Going Concern</i></p> <p data-bbox="239 761 861 862">Refer Note 55 – “Going Concern” and Note-1 (D-6) “Estimation related to COVID-19” of the standalone financial statements</p> <p data-bbox="239 896 861 1198">During the year, the business of the Company was significantly impacted due to COVID-19. Significant number of hotels were not operating for the first six months on account of restrictions imposed due to lockdowns; with lifting of lockdown restrictions all the hotels started operating from second half of the year. However due to second wave of Covid-19, currently, various state governments have further imposed restrictions.</p> <p data-bbox="239 1232 861 1400">These lockdowns and restrictions due to COVID-19 pandemic have posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.</p> <p data-bbox="239 1433 861 1556">The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements.</p> <p data-bbox="239 1590 861 1646">In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.</p> | <p data-bbox="877 683 1284 716"><u>Principal Audit Procedures</u></p> <p data-bbox="877 761 1404 963">Obtained an understanding from Management the procedure of preparing forecasted statements and Compared the forecasted statement of profit and loss and cash flows with the Company’s business plan approved by the board of directors.</p> <p data-bbox="877 985 1404 1176">Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and analyzed the same based on our understanding of the Company’s business</p> <p data-bbox="877 1198 1404 1321">Obtained understanding of new borrowing arrangements subsequent to the year-end and also cash & cash equivalents available with the company;</p> <p data-bbox="877 1344 1404 1467">Assessed impact of Government’s announcement to lift the lockdown restrictions and Company’s plan to re-open hotels in a phased manner;</p> <p data-bbox="877 1500 1404 1601">Assessed disclosures made in the standalone financial statements with regard to the above. Refer to note 55 and note 1(D-6).</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

The Ind AS Consolidated financial statements include the Group's Share of loss of Rs.(-) 3363.76 Lakhs for the year ended 31st March, 2021, 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 consolidated Ind AS 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, 2021 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, 2021 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 46 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

UDIN: 21402560AAAAHZ2563

Place of Signature: Indore

Date: 30th June, 2021

UDIN : 21402560AAAAHZ2563

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 2021 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 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 associate, which is company incorporated in India, is based on the corresponding reports of the auditors of such company.

For K.L. VYAS &Company
CharteredAccountants,
FRN: 003289C

Place of Signature: Indore

Date: 30th June, 2021

(Himanshu Sharma)
Partner
M.NO.: 402560
UDIN: 21402560AAAAHZ2563

SAYAJI HOTELS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021

(Rs. In Lakhs)

| Particulars | Note No. | As at 31st March,2021 | As at 31st March,2020 |
|---|----------|--------------------------|--------------------------|
| ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 2 | 19,977.09 | 27,165.99 |
| (b) Capital work-in-progress | 3 | 0.62 | 11.81 |
| (c) Intangible assets | 4 | 4.29 | 2.69 |
| (d) Investment in Associate, Subsidiary and Joint venture | 5 | 4,938.58 | 266.76 |
| (i) Investments | 6 | 0.21 | 0.21 |
| (e) Loans | 7 | 1,023.69 | 938.68 |
| (f) Other Financial Assets | 8 | 119.08 | 120.38 |
| (g) Deferred Tax assets (net) | 9 | 1,969.98 | 1,739.18 |
| (h) Other non-current assets | 10 | 134.86 | 157.89 |
| Total Non-Current Assets | | 28,168.40 | 30,403.59 |
| 2 Current Assets | | | |
| (a) Inventories | 11 | 1,644.04 | 2,013.57 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 12 | 371.38 | 579.23 |
| (ii) Cash and Cash Equivalents | 13 | 366.08 | 558.83 |
| (iii) Bank balances other than (ii) above | 14 | 9.58 | 14.04 |
| (iv) Loans | 15 | 498.32 | 992.84 |
| (v) Other Financial Assets | 16 | 600.95 | 355.50 |
| (c) Current Tax Assets (net) | 17 | 26.73 | 13.18 |
| (d) Other current assets | 18 | 736.04 | 1,004.53 |
| (e) Assets classified as Held for Sale | 19 | 433.42 | - |
| Total Current Assets | | 4,686.54 | 5,531.72 |
| TOTAL ASSETS | | 32,854.94 | 35,935.31 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 20 | 1,751.80 | 1,751.80 |
| (b) Other Equity | 21 | 8,977.01 | 5,431.09 |
| Total Equity attributable to owners of the parent | | 10,728.81 | 7,182.89 |
| (c) Non-controlling interest | 21.7 | - | 111.20 |
| Total Equity | | 10,728.81 | 7,294.09 |

SAYAJI HOTELS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021

(Rs. In Lakhs)

| Particulars | Note No. | As at 31st March,2021 | As at 31st March,2020 |
|--|----------|--------------------------|--------------------------|
| LIABILITIES | | | |
| 1 Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | 5,784.27 | 7,092.82 |
| (ii) Other Financial Liabilities | 23 | 9,725.44 | 14,335.79 |
| (b) Provisions | 24 | 586.03 | 681.37 |
| (c) Deferred Tax Liabilities (Net) | | - | - |
| (d) Deferred Revenue | 25 | 398.18 | 451.30 |
| Total Non-Current Liabilities | | 16,493.92 | 22,561.28 |
| 2 Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 26 | 982.09 | 761.36 |
| (ii) Trade Payables | 27 | | |
| A. total outstanding dues of micro enterprises and small enterprises; and | | 26.37 | 15.64 |
| B. total outstanding dues of creditors other than micro enterprises and small enterprises. | | 1,152.21 | 1,391.24 |
| (iii) Other Financial Liabilities | 28 | 2,177.50 | 2,280.98 |
| (b) Other Current Liabilities | 29 | 854.97 | 1,026.04 |
| (c) Provisions | 30 | 439.07 | 604.68 |
| Total Current Liabilities | | 5,632.21 | 6,079.94 |
| TOTAL EQUITY AND LIABILITIES | | 32,854.94 | 35,935.31 |

Significant Accounting Policies and other Notes 1-56
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 Board of Directors

Himanshu Sharma
Partner
M.No. 402560

T.N Unni
Director
DIN-00079237

Raof Razak Dhanani
Managing Director
DIN-00174654

Place: Indore
Date: 30th June 2021

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

SAYAJI HOTELS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS ON 31st MARCH 2021

(Rs. In Lakhs)

| | Particulars | Note No. | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|------|--|-----------------|--|--|
| I | Income | | | |
| II | Revenue From Operations | 31 | 7,707.83 | 21,498.28 |
| III | Other Income | 32 | 986.26 | 387.13 |
| IV | Total Revenue (II+III) | | 8,694.09 | 21,885.41 |
| V | Expenses : | | | |
| | Food and Beverages Consumed | 33 | 1,549.19 | 4,254.12 |
| | Employee Benefits Expenses | 34 | 2,166.96 | 5,820.46 |
| | Finance Costs | 35 | 2,205.33 | 2,383.99 |
| | Depreciation And Amortization Expenses | 2&4 | 2,778.08 | 3,053.04 |
| | Operating Expenses | 36 | 1,943.84 | 5,072.06 |
| | Other Expenses | 37 | 898.31 | 1,438.81 |
| | Total Expenses | | 11,541.71 | 22,022.48 |
| VI | Profit before Exceptional Item and share of profit/(loss) of associate and tax (IV-V) | | (2,847.62) | (137.07) |
| VII | Exceptional Item | | | |
| | Sabka Vishwas scheme settlement | 38 | - | 469.40 |
| VIII | Profit before share of profit/(loss) of associate and tax (VI-VII) | | (2,847.62) | (606.47) |
| IX | Share of Profit /(Loss) of Associate | | (3,363.76) | (1,460.51) |
| X | Profit Before Tax (VIII+IX) | | (6,211.38) | (2,066.98) |
| XI | Tax Expense : | | | |
| | (1) Current Tax | | 15.27 | 204.48 |
| | (2) Mat Credit Entitlement | | - | - |
| | (3) Deferred Tax | | (526.44) | (468.32) |
| | (4) Tax Adjustment of Earlier Year | | (44.02) | (28.93) |
| | | | (555.19) | (292.77) |
| XII | Profit/(Loss) for the year from the Continuing Operations(X-XI) | | (5,656.19) | (1,774.21) |
| XIII | Profit/(Loss) for the year from the Discontinuing Operations | | 341.52 | (36.89) |
| XIV | Tax Expenses of Discontinuing Operations | | (59.67) | 103.51 |
| XV | Profit/(Loss) for the year from the Discontinuing Operations (After Tax) (XIII-XIV) | | 401.19 | (140.40) |
| XVI | Profit/(Loss) for the Period(XII+XV) | | (5,255.00) | (1,914.61) |
| XVII | Other Comprehensive Income | | | |
| | A Items that will not be reclassified to profit or loss | | | |
| | (i) Actuarial Gain/(Loss) on Defined Benefit Plan | | 162.44 | 21.51 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (42.23) | (5.98) |
| | B Items that will be reclassified to profit or loss | | | |
| | (i) Changes in Cash Flow Hedge Reserve | | 14.25 | (51.95) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | 4.08 | 4.40 |

SAYAJI HOTELS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS ON 31st MARCH 2021

(Rs. In Lakhs)

| | Particulars | Note No. | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|-------|--|-----------|--|--|
| XVIII | Total Comprehensive Income for the year (XVI+XVII)(Comprising Profit /(Loss) and Other Comprehensive Income for the year) before share of associate | | (5,116.46) | (1,946.63) |
| XIX | Share of Profit/ (Loss) of associate | | 95.04 | (119.44) |
| XX | Total Comprehensive Income for the year (XVIII+XIX)(Comprising Profit /(Loss) and Other Comprehensive Income for the year) | | (5,021.42) | (2,066.07) |
| | Net profit attributable to | | | |
| | Owners of the parent | | (5,105.00) | (1,846.75) |
| | Non controlling interests | | (150.00) | (67.86) |
| | Other Comprehensive Income attributable to | | | |
| | Owners of the parent | | 216.82 | (133.94) |
| | Non controlling interests | | 16.76 | (17.52) |
| | Total Comprehensive Income attributable to | | | |
| | Owners of the parent | | (4,888.18) | (1,980.69) |
| | Non controlling interests | | (133.24) | (85.38) |
| XXI | Earnings per equity share | 39 | | |
| | (1) Basic | | (30.69) | (11.62) |
| | (2) Diluted | | (30.69) | (11.62) |

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

For and on behalf of Board of Directors

Himanshu Sharma
Partner
M.No. 402560

T.N Unni
Director
DIN No-00079237

Raof Razak Dhanani
Managing Director
DIN-00174654

Place: Indore
Date: 30th June 2021

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

SAYAJI HOTELS LIMITED
Consolidated Statement Of Changes In Equity For The Period Ended 31st March, 2021

A. Equity Share Capital

(Amount in Rs. Lakhs)

| Balance as at 1st April, 2020 | Changes in equity share capital during the year | Balance as at 31st March, 2021 |
|-------------------------------|---|--------------------------------|
| 1,751.80 | - | 1,751.80 |

B. Other Equity

(Amount in Rs. Lakhs)

| Particulars | Equity component of compound financial instruments | Attributable to owners of parent | | | | Effective portion of Cash Flow Hedges | Share of OCI of Associates Accounted for using Equity Method | Total Equity attributable to owners of parent | Non-Controlling Interest | Total |
|--|--|----------------------------------|-----------------|-------------------|---|---------------------------------------|--|---|--------------------------|-----------------|
| | | Reserve and surplus | | | Share of Equity Component Directly credited to Equity | | | | | |
| | | Securities Premium | General Reserve | Retained Earnings | Share of Equity Component Directly credited to Equity | | | | | |
| Balance as at 1st April, 2020 | 881.32 | 5,944.60 | 641.48 | (1,227.68) | (567.90) | 21.78 | (262.51) | 5,431.09 | 111.20 | 5,542.29 |
| Ind AS Adjustment on account of Leases | - | - | - | - | - | - | - | - | - | - |
| Profit/(Loss) for the year | - | - | - | (1,741.24) | - | - | - | (1,741.24) | (150.00) | (1,891.24) |
| Other Comprehensive Income for the year | - | - | - | 103.45 | - | 19.78 | 95.04 | 218.27 | 16.76 | 235.03 |
| Other | - | - | - | - | - | - | - | - | 22.04 | 22.04 |
| Share of associate | - | - | - | (3,363.76) | 8,373.96 | - | - | 5,010.20 | - | 5,010.20 |
| Sale of Investment in Associate | - | - | - | - | - | - | - | - | - | - |
| Dividend | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the Year | - | - | - | (5,001.55) | 8,373.96 | 19.78 | 95.04 | 3,487.23 | (111.20) | 3,376.03 |
| Cash dividends | - | - | - | - | - | - | - | - | - | - |
| Dividend distribution tax on cash dividend | - | - | - | - | - | - | - | - | - | - |
| Equity Component | 58.69 | - | - | - | - | - | - | 58.69 | - | 58.69 |
| Excess of Investment over Net Assets | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31st March, 2021 | 940.01 | 5,944.60 | 641.48 | (6,229.23) | 7,806.06 | 41.56 | (167.47) | 8,977.01 | 0.00 | 8,977.01 |

SAYAJI HOTELS LIMITED
Consolidated Statement Of Changes In Equity For The Period Ended 31st March, 2021

A. Equity Share Capital

A. Equity Share Capital

(Amount in Rs. Lakhs)

| Balance as at 1st April, 2019 | Changes in equity share capital during the year | Balance as at 31st March, 2020 |
|-------------------------------|---|--------------------------------|
| 1,751.80 | - | 1,751.80 |

B. Other Equity

(Amount in Rs. 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 | | | Share of Equity Component Directly credited to Equity | Effective portion of Cash Flow Hedges | Share of OCI of Associates Accounted for using Equity Method | | | |
| | | Securities Premium | General Reserve | Retained Earnings | | | | | | |
| Balance as at 1st April, 2019 | 251.66 | 5,944.60 | 641.48 | 2,165.07 | 3,184.91 | 69.33 | (143.07) | 12,113.97 | 478.35 | 12,592.32 |
| Ind AS Adjustment on account of Leases | - | - | - | (2,614.59) | - | - | - | (2,614.59) | - | (2,614.59) |
| Profit/(Loss) for the year | - | - | - | (386.23) | - | - | - | (386.24) | (67.86) | (454.10) |
| Other Comprehensive Income for the year | - | - | - | 33.05 | - | (47.55) | (119.44) | (133.94) | (17.52) | (151.46) |
| Other | - | - | - | 774.61 | - | - | - | 774.63 | - | 774.63 |
| Share of associate | - | - | - | (1,460.51) | (3,752.81) | - | - | (5,213.32) | - | (5,213.32) |
| Sale of Investment in Associate | - | - | - | 260.92 | - | - | - | 260.92 | (281.77) | (20.85) |
| Dividend | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the Year | - | - | - | (3,392.75) | (3,752.81) | (47.55) | (119.44) | (7,312.54) | (367.15) | (7,679.69) |
| Cash dividends | - | - | - | - | - | - | - | - | - | - |
| Dividend distribution tax on cash dividend | - | - | - | - | - | - | - | - | - | - |
| Equity Component Excess of Investment over Net Assets | 629.66 | - | - | - | - | - | - | 629.66 | - | 629.66 |
| Others | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31st March, 2020 | 881.32 | 5,944.60 | 641.48 | (1,227.68) | (567.90) | 21.78 | (262.51) | 5,431.09 | 111.20 | 5,542.29 |

Significant Accounting Policies and other Notes

1-56

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 Board of Directors

Himanshu Sharma
Partner
M.No. 402560

T.N Unni
Director
DIN-00079237

Raouf Razak Dhanani
Managing Director
DIN-00174654

Place: Indore
Date: 30th June 2021

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

SAYAJI HOTELS LIMITED

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

(Rs. In Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax from continuing operations | (2,705.60) | (2,223.31) |
| Non-cash/Non-Operating adjustment to reconcile profit before tax to net cash flows | | |
| Adjustments related to Associates | - | 1,463.31 |
| Adjustments Related to Disposal of Subsidiary | (148.01) | - |
| Depreciation & Amortisation including adjustments | 2,778.08 | 3,419.94 |
| Deferred Income Amortisation | (53.21) | (59.89) |
| Deferred Expense Amortisation | 6.19 | 4.69 |
| Excess provision written back | (14.39) | (56.19) |
| (Profit) /Loss on Sale/Disposal of Property, Plant & Equipment | 1.42 | (11.56) |
| Interest Expense | 1,065.63 | 1,235.72 |
| Finance cost on lease payable & Other Financial Liabilities | 984.55 | - |
| Finance cost on Preference Share | 155.15 | 216.30 |
| Interest Received | (78.51) | - |
| Finance income on security deposit | (15.73) | (89.04) |
| Prepaid Lease income on Security Deposit | 4.37 | (4.68) |
| Impairment Loss | - | 0.52 |
| Lease Rent & Lease Rent Concession | (438.25) | - |
| Balances Written off | (19.46) | 2.76 |
| Interest Income | - | (95.69) |
| Provision for doubtful debts made | 5.67 | 39.58 |
| Operating profit before Working Capital changes | 1,527.90 | 3,842.46 |
| Adjustments for:: | | |
| Increase/(Decrease) in other liabilities | (130.97) | (56.69) |
| Increase/(Decrease) in other financial liabilities | (474.53) | 1,298.41 |
| Increase/(Decrease) in provisions | (95.74) | (21.31) |
| Increase/(Decrease) in trade payables | (134.65) | 113.42 |
| Decrease/(Increase) in loans(financial assets) | 325.13 | (565.00) |
| Decrease/(Increase) in other Bank Balances | 4.46 | 3.55 |
| Decrease/(Increase) in Inventories | 257.87 | (7.41) |
| Decrease/(Increase) in trade receivable | 163.39 | 470.10 |
| Decrease/(Increase) in other assets | 184.68 | 38.26 |
| Decrease/(Increase) in other financial assets | (305.88) | 46.75 |
| Cash generated from operations | 1,321.67 | 5,162.54 |
| Taxes (Paid)/Refund | 7.73 | (178.67) |
| Net Cash from Operating Activity (A) | 1,329.40 | 4,983.88 |

SAYAJI HOTELS LIMITED

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

(Rs. In Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipment | (239.71) | (664.89) |
| Sale/Disposal of Property, Plant & Equipment | 2.33 | - |
| Proceeds from Sale of Investment | 689.40 | 574.24 |
| Dividend Income | - | 126.21 |
| Interest Received | 78.51 | 95.69 |
| Net Cash Flow from Investing Activity(B) | 530.53 | 131.25 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds of Long Term Borrowings | 587.13 | (1,617.87) |
| Repayment of Long Term Borrowings | (790.65) | - |
| Proceeds/(Repayment) of loans from others | (215.34) | - |
| Payment of Lease Liability | (927.65) | (1,703.42) |
| Interest Paid/other borrowing cost paid | (1,224.70) | (1,235.72) |
| Net cash used in Financing Activity (C) | (2,571.21) | (4,557.01) |
| Net increase/decrease in cash and cash equivalents(A+B+C) | (711.28) | 558.12 |
| Cash and cash equivalents at the beginning of the year | 526.27 | (31.85) |
| Cash and cash equivalents at the close of the year | (185.01) | 526.27 |
| 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: | | |
| | As at March 31, 2021 | As at March 31, 2020 |
| Balance with Banks | 350.81 | 424.02 |
| Cash on hand | 15.27 | 61.55 |
| Investment in Mutual Fund | - | 73.26 |
| Less: Bank Overdraft | (551.09) | (32.56) |
| | (185.01) | 526.27 |

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

For and on behalf of Board of Directors

Himanshu Sharma
Partner
M.No. 402560

T.N Unni
Director
DIN-00079237

Raof Razak Dhanani
Managing Director
DIN-00174654

Place: Indore
Date: 30th June,2021

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

Notes to Financial Statements

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 consolidated financial statements were authorized for issue by Board of Directors on 30th June,2021.

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.

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. Intercompany 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;
- 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.

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. A gain 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 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 116 – ‘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.

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.

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 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

Ind AS 116 - Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly the company has not restated the comparative information. Further, in respect of leases that were classified as operating leases applying Ind AS 17. There is no impact on Opening Retained Earnings.

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

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

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

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

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

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" / "Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent" / "Other expenses", "Depreciation and amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods.

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 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.

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 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 116
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 115
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 115, if they do not contain a significant financing component

- Trade receivables or contract assets resulting from transactions within the scope of and Ind AS 115 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.

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 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 contract.

C. 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. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

3. 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.

4. 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.

5. 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.

6. Estimation uncertainty relating to COVID-19:

Covid19 has impacted and continues to impact the business operations of the Group. It has resulted reduction in occupancy of hotels and average rate realization (ARR) per room starting from the month of March 2020. All the hotels of the Group were operational during the current quarter ending March 2021.

The business is further impacted in first quarter of financial year 2021-2022 due to restrictions imposed due to surge in Covid cases. Hotels of the Group were partially operational during the month of April & May 2021 wherein only accommodation facilities were operational with very low level of occupancies and F&B sale at nominal level by way of home delivery & take away. Revenues could be further impacted during the financial year 2021-2022, however management expects a recovery in business during the 2nd half of the financial year. Management has undertaken/ is undertaking various cost savings initiatives like salary reduction, rent waivers etc. which has resulted into substantial savings and better operational efficiency.

In evaluating the impact of Covid19 on its ability to continue as a going concern and the possible impact on its financial position, the Group has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expect to recover the carrying amount of the assets. The management has sufficient financing for the next 12 months to prevent disruption of the operating cash flows and to meet its obligations as they fall due.

Based on aforesaid assessment, management believes that the Group will continue as a going concern and will be able to meet its obligations. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these conditions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note 2: PROPERTY PLANT & EQUIPMENT

(Amount in Rs. Lakhs)

| Particulars | Gross block | | | | Depreciation/Amortization | | | | Net book value | |
|------------------------------|------------------|---------------|-----------------------|------------------|---------------------------|-----------------|-----------------------|------------------|------------------|------------------|
| | As at 01.04.2020 | Additions | Deletions/ Adjustment | As at 31.03.2021 | Upto 01.04.2020 | For the Year | Deletions/ Adjustment | Upto 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| OWNED ASSETS | | | | | | | | | | |
| Freehold Land | 2,634.84 | - | - | 2,634.84 | - | - | - | - | 2,634.84 | 2,634.84 |
| Leasehold Land # | 2.44 | - | - | 2.44 | - | - | - | - | 2.44 | 2.44 |
| Buildings | 12,257.47 | 143.97 | (1,126.06) | 11,275.38 | 5,476.75 | 976.72 | (795.62) | 5,657.85 | 5,617.53 | 6,780.72 |
| Plant and Equipments | 2,920.74 | 52.93 | (574.60) | 2,399.07 | 1,338.71 | 248.95 | (314.82) | 1,272.84 | 1,126.23 | 1,582.03 |
| Furniture & Fixtures | 1,835.63 | 47.48 | (405.60) | 1,477.51 | 1,114.35 | 282.34 | (363.58) | 1,033.11 | 444.40 | 721.29 |
| Service Equipment | 274.64 | 0.18 | (17.11) | 257.71 | 196.77 | 29.87 | (13.99) | 212.65 | 45.06 | 77.87 |
| Vehicles | 81.75 | - | (28.33) | 53.42 | 7.03 | 16.51 | (21.99) | 1.55 | 51.87 | 74.71 |
| Computers | 255.16 | 0.29 | (17.49) | 237.96 | 204.44 | 11.48 | (14.58) | 201.34 | 36.62 | 50.72 |
| RIGHT OF USE ASSETS * | | | | | | | | | | |
| Land | 9,895.47 | - | (4,330.15) | 5,565.32 | 316.80 | 238.44 | (78.37) | 476.87 | 5,088.46 | 9,578.67 |
| Hotel Properties | 6,435.03 | 236.27 | - | 6,671.30 | 873.07 | 931.94 | - | 1,805.01 | 4,866.29 | 5,561.96 |
| Offices | 138.13 | - | - | 138.13 | 37.39 | 37.39 | - | 74.78 | 63.35 | 100.74 |
| Total | 36,731.30 | 481.12 | (6,499.34) | 30,713.08 | 9,565.31 | 2,773.64 | (1,602.95) | 10,736.00 | 19,977.09 | 27,165.99 |

Transferred to Right of Use Assets

*1. Right of Use assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options.

2. Amounts recognised in profit or loss:

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 |
|---|------------------|
| Depreciation of Right of Use Assets | 1,207.77 |
| Additional Lease Payments shown as Lease Rent ^ | 134.94 |
| Interest on Lease Liabilities | 984.55 |
| Total | 2,327.26 |

^Additional Lease Payments are based on the performance i.e. Gross operating profit, revenues etc. of the Hotel property leased and for which no lease liability has been recognised as it is contingent & variable in nature.

(Amount in Rs. Lakhs)

| Particulars | Gross block | | | | Depreciation/Amortization | | | | Net block | |
|------------------------------|------------------|------------------|-----------------------|------------------|---------------------------|-----------------|-----------------------|-----------------|------------------|------------------|
| | As at 31.03.2019 | Additions | Deletions/ Adjustment | As at 31.03.2020 | Upto 31.03.2019 | For the Year* | Deletions/ Adjustment | Upto 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Freehold Land | 2,634.84 | - | - | 2,634.84 | - | - | - | - | 2,634.84 | 2,634.84 |
| Leasehold Land | 2,144.61 | - | (2,142.17) | 2.44 | 92.91 | - | (92.91) | - | 2.44 | 2,051.70 |
| Buildings | 12,135.90 | 121.87 | (0.30) | 12,257.47 | 4,071.65 | 1,405.10 | - | 5,476.75 | 6,780.72 | 8,063.95 |
| Plant and Equipments | 2,679.35 | 260.31 | (18.92) | 2,920.74 | 1,008.50 | 345.34 | (15.13) | 1,338.71 | 1,582.03 | 1,670.52 |
| Furniture & Fixtures | 1,722.25 | 396.81 | (283.43) | 1,835.63 | 1,068.47 | 324.51 | (278.63) | 1,114.35 | 721.29 | 652.35 |
| Service Equipment | 271.00 | 8.52 | (4.88) | 274.64 | 147.94 | 53.50 | (4.67) | 196.77 | 77.87 | 123.04 |
| Vehicles | 163.46 | - | (81.71) | 81.75 | 58.26 | 26.40 | (77.63) | 7.03 | 74.71 | 105.19 |
| Computers | 241.40 | 14.08 | (0.31) | 255.16 | 183.28 | 21.25 | (0.09) | 204.44 | 50.72 | 57.92 |
| RIGHT OF USE ASSETS * | | | | | | | | | | |
| Land | | 9,895.47 | | 9,895.47 | | 316.80 | - | 316.80 | 9,578.67 | - |
| Hotel Properties | | 6,435.03 | | 6,435.03 | | 873.07 | - | 873.07 | 5,561.96 | - |
| Offices | | 138.13 | | 138.13 | | 37.39 | - | 37.39 | 100.74 | - |
| Total | 21,992.80 | 17,270.22 | (2,531.72) | 36,731.30 | 6,631.01 | 3,403.36 | (469.06) | 9,565.31 | 27,165.99 | 15,359.51 |

* The above table includes Depreciation pertaining to Malwa Hospitality(Discontinued operation) of Rs. 366.9 Lakhs.

Note 3: Capital Work-in-Progress

(Amount in Rs. Lakhs)

| Particulars | As at 01.04.2020 | Additions | Capitalised | As at 31.03.2021 |
|--------------------------|---------------------|---------------|---------------|---------------------|
| Capital work in progress | 11.81 | 223.33 | 234.52 | 0.62 |
| Total | 11.81 | 223.33 | 234.52 | 0.62 |

(Amount in Rs. Lakhs)

| Particulars | As at 01.04.2019 | Additions | Capitalised | As at 31.03.2020 |
|--------------------------|---------------------|---------------|---------------|---------------------|
| Capital work in progress | 150.53 | 705.16 | 843.88 | 11.81 |
| Total | 150.53 | 705.16 | 843.88 | 11.81 |

Note 4: INTANGIBLE ASSETS

(Amount in Rs. Lakhs)

| Particulars | Gross block | | | | Depreciation/Amortization | | | Net book value | | |
|---------------------|---------------------|-------------|--------------------------|---------------------|---------------------------|--------------|--------------------------|---------------------|---------------------|---------------------|
| | As at 01.04.2020 | Additions | Deletions/ Adjustment | As at 31.03.2021 | As at 01.04.2020 | For the Year | Deletions/ Adjustment | As at 31.03.2021 | As at 31.03.2021 | As at 01.04.2020 |
| Software & Licences | 118.38 | 6.05 | - | 124.43 | 115.69 | 4.45 | - | 120.14 | 4.29 | 2.69 |
| Total | 118.38 | 6.05 | - | 124.43 | 115.69 | 4.45 | - | 120.14 | 4.29 | 2.69 |

(Amount in Rs. Lakhs)

| Particulars | Gross block | | | | Depreciation/Amortization | | | Net book value | | |
|---------------------|---------------------|-------------|--------------------------|---------------------|---------------------------|---------------|--------------------------|---------------------|---------------------|---------------------|
| | As at 01.04.2019 | Additions | Deletions/ Adjustment | As at 31.03.2020 | As at 01.04.2019 | For the Year* | Deletions/ Adjustment | As at 31.03.2020 | As at 01.04.2020 | As at 31.03.2019 |
| Software & Licences | 116.36 | 2.02 | - | 118.38 | 99.11 | 16.57 | - | 115.68 | 2.69 | 17.25 |
| Total | 116.36 | 2.02 | - | 118.38 | 99.11 | 16.57 | - | 115.68 | 2.69 | 17.25 |

Non-Current Financial Assets

5 Investment in Associate

| Particulars | Number of shares Current Year/(Previous Year) | Face Value per share Current Year/(Previous Year) | As at 31st March, 2021 | As at 31st March, 2020 |
|---|--|--|---------------------------|---------------------------|
| Barbeque-Nation Hospitality Ltd. | 1,26,21,116 | 5.00 | 5,372.00 | 266.76 |
| Less:- Transferred to asset held for sale | (12621116) | (5.00) | (433.42) | - |
| Total | - | - | 4,938.58 | 266.76 |

6 Non - Current Financial Assets: Investments

| Particulars | Number of shares Current Year/(Previous Year) | Face Value per share Current Year/(Previous Year) | As at 31st March, 2021 | As at 31st March, 2020 |
|---|--|--|---------------------------|---------------------------|
| A. Trade Investment (Unquoted At FVTPL) | | | | |
| Genex Hotels Pvt. Ltd. | 1,100 (1,100) | 10.00 (10.00) | 0.11 | 0.11 |
| Winner Hotels Pvt. Ltd | 2,300 (2,300) | 10.00 (10.00) | 0.23 | 0.23 |
| Less: Provision for Impairment | - | - | (0.23) | (0.23) |
| Sub-Total (A) | - | - | 0.11 | 0.11 |
| B. Other Investments (Unquoted At FVTPL) | | | | |
| Bharat Equity Services Ltd. | 1,00,000 (100000) | 10.00 (10.00) | 0.10 | 0.10 |
| Sub-Total (B) | - | - | 0.10 | 0.10 |
| Total (A+B) | - | - | 0.21 | 0.21 |

7 Non - Current Financial Assets: Loans

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------------|---------------------------|---------------------------|
| Unsecured, Considered good | | |
| Security Deposits* | 1,023.69 | 938.68 |
| Total | 1,023.69 | 938.68 |

*As on 31.03.2021 Include Rs.840.58 lakhs (Previous year Rs.758.11 lakhs) deposit given to Prinite Hospitality Pvt Ltd and Rs.63.69 lakhs (31 March, 2020 Rs.57.17 Lakhs) given to M/s Vicon Imperial Private Ltd.

8 Other Non Current Financial Assets

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Fixed Deposits Against lien & Bank Guarantee* | 119.08 | 120.38 |
| Total | 119.08 | 120.38 |

*Maturity after 12 months & pledged with bank against margin money.

9 Deferred Tax assets (net)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Deferred Tax assets | | |
| On account of Timing Difference in | | |
| Carry Forward losses & Depreciation | 657.40 | 69.18 |
| Expenses Disallowed under I.T. Act., 1961 | 227.03 | 282.76 |
| Depreciation on fixed assets | 1,113.89 | 1,542.98 |
| Right of use Assets(Net of lease liability) | 126.86 | 57.95 |
| Other Ind AS Adjustments | 63.35 | 44.78 |
| Total Deferred Tax Assets | 2,188.53 | 1,997.65 |
| Other Ind AS Adjustments | 200.83 | 240.90 |
| Cash Flow hedge reserve | 14.04 | 4.40 |
| Transaction cost on borrowings | 3.68 | 13.17 |
| Total Deferred Tax Liabilities | 218.55 | 258.47 |
| Net Deferred Tax(Liability)/Assets* | 1,969.98 | 1,739.18 |

10 Other non-current assets

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Capital Advances* | | |
| Unsecured | 3.75 | 4.01 |
| Advances Other Than Capital Advances | | |
| Prepaid Lease Charges | 3.62 | 4.53 |
| Deferred Lease Expenses | 8.48 | 9.98 |
| Electricity Deposit | 72.16 | 87.83 |
| Raipur Lease- Stamp Duty payment Unamortised | 46.85 | 51.54 |
| Total | 134.86 | 157.89 |

*Given for business purpose.

11 Inventories

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| (Valued at cost or NRV whichever is less & certified by management) | | |
| Operating Supplies | 1,557.95 | 1,852.48 |
| Food & Beverages | 86.09 | 161.09 |
| Total | 1,644.04 | 2,013.57 |

12 Current Financial Assets: Trade Receivables

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Unsecured, Considered Good | 389.20 | 643.09 |
| Others- Considered good | - | - |
| Considered doubtful | - | - |
| Less: Receivable with significant increase in credit risk | (17.82) | (28.72) |
| Less: Receivables credit impaired | - | (35.14) |
| Total | 371.38 | 579.23 |

13 Cash and Cash Equivalents

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Cash on Hand | 15.27 | 61.55 |
| Balances with Bank | | |
| In current Accounts With Scheduled Bank | 350.81 | 424.02 |
| Investment in Liquid Funds | - | 73.26 |
| Total | 366.08 | 558.83 |

14 Bank Balances Other than Cash and cash equivalents

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------|------------------------|------------------------|
| Fixed Deposits Against lien | 9.58 | 14.04 |
| Total | 9.58 | 14.04 |

15 Current Financial Assets: Loans

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------------|------------------------|------------------------|
| Unsecured, Considered good | | |
| Staff Advances & Loan | 18.86 | 20.62 |
| Intercorporate Deposits | 604.20 | 790.39 |
| Excess TDS Recoverable | 0.26 | - |
| Other Loans & Advances* | (125.00) | 181.83 |
| Total | 498.32 | 992.84 |

*Loans and advances have been given for business purposes.

16 Other Current Financial Assets

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------|------------------------|------------------------|
| Others | 600.63 | 354.49 |
| Telephone Deposit | 0.32 | 0.34 |
| Advance for expenses | - | 0.67 |
| Total | 600.95 | 355.50 |

17 Current Tax Assets (net)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------|------------------------|------------------------|
| Advance Income Tax | 26.73 | 13.18 |
| Total | 26.73 | 13.18 |

SAYAJI HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

18 Other current assets

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Prepaid Expenses | 117.75 | 127.98 |
| Prepaid lease charges | 0.90 | 0.90 |
| Other current assets | 34.56 | 25.84 |
| Advance to suppliers for goods & services* | 17.45 | 51.48 |
| Balance with Govt. authorities | 560.69 | 793.64 |
| Current portion of Unamortised Stamp Duty Payment of Raipur Lease | 4.69 | 4.69 |
| Total | 736.04 | 1,004.53 |

*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.

19 Asset Held for Sale

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Barbeque-Nation Hospitality Ltd. (1018288 Equity Share of Rs. 5 each) | 433.42 | - |
| Total | 433.42 | - |

EQUITY

20 Equity Share Capital

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| AUTHORISED | | |
| 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 |
| Total | 4,000.00 | 4,000.00 |
| ISSUED | | |
| 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 |
| Total | 1,751.80 | 1,751.80 |
| SUBSCRIBED & PAID-UP | | |
| 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 |
| Total | 1,751.80 | 1,751.80 |

20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | Number of Shares | Rs. in Lakhs | Number of Shares | Rs. in Lakhs |
| Outstanding at the beginning of the year | 1,75,18,000 | 1,751.80 | 1,75,18,000 | 1751.8 |
| Add : Fresh issue during the year | - | - | | |
| Outstanding at the end of the year | 1,75,18,000 | 1,751.80 | 1,75,18,000 | 1,751.80 |

21 Other Equity

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------|------------------------|------------------------|
| Equity Component of Cummulative Preference Shares | 21.1 | 940.01 | 881.32 |
| Securities Premium | 21.2 | 5944.60 | 5944.60 |
| General Reserve | 21.3 | 641.48 | 641.48 |
| Retained Earnings | 21.4 | 2317.12 | (1766.80) |
| Cash Flow Hedge Reserve | 21.5 | (27.77) | (47.55) |
| Other comprehensive share | 21.6 | (126.92) | (221.96) |
| Total | | 8977.01 | 5431.09 |

SAYAJI HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|--|---------------------------|---------------------------|
| Other Equity | | | |
| 21.1 Equity Component of Compound financial instrument | | | |
| Opening at beginning | | 881.32 | 251.66 |
| Addition during the year | | 58.69 | 629.66 |
| Utilised during the year | | - | - |
| Closing at end | | 940.01 | 881.32 |
| 21.2 Securities Premium | | | |
| Opening at beginning | | 5,944.60 | 5,524.56 |
| Addition during the year | | - | 420.04 |
| Utilised during the year | | - | - |
| Closing at end | | 5,944.60 | 5,944.60 |
| 21.3 General Reserve | | | |
| Opening at beginning | | 641.48 | 641.48 |
| Addition during the year | | - | - |
| Utilised during the year | | - | - |
| Closing at end | | 641.48 | 641.48 |
| 21.4 Retained earnings | | | |
| Opening at beginning | | (1,766.80) | 5,378.76 |
| Adjustments relating to Fixed Assets | | - | - |
| Addition during the year | | (5,121.76) | (1,829.31) |
| Ind AS Adjustment in Associate Leases | | - | (2,614.59) |
| Other Adjustments relating to Associate | | 8,373.96 | (3,752.81) |
| Sale of Investment in Associate | | - | 260.92 |
| Deferred Tax on Associate Share | | - | 774.70 |
| Net actuarial Gain / (Loss) on defined benefit plan | | 120.21 | 15.53 |
| Closing at end | | 2,317.12 | (1,766.80) |
| 21.5 Cash Flow Hedge Reserve | | | |
| Opening at beginning | | (47.55) | - |
| Others | | 1.45 | - |
| Addition during the year | | 18.33 | (47.55) |
| Closing at end | | (27.77) | (47.55) |
| 21.6 Other comprehensive Income | | | |
| Opening at beginning | | (221.96) | (102.52) |
| Addition during the year | | 95.04 | (119.44) |
| Closing at end | | (126.92) | (221.96) |
| Total Other Equity | | 8,977.01 | 5,431.09 |

21.7 Non Controlling Interest

| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------|--|---------------------------|---------------------------|
| Non Controlling Interest | | | |
| Opening at beginning | | 111.20 | 478.35 |
| Aries share | | 22.04 | (281.77) |
| Opening of Malwa | | (133.24) | (85.38) |
| Closing at end | | - | 111.20 |

22 Non- Current Financial Liabilities: Borrowings

| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|--|---------------------------|---------------------------|
| A. Secured Term Loans | | | |
| i) From Banks | | 1,440.78 | 2,989.92 |
| ii) From Financial Institutions | | 856.01 | 916.31 |
| iii) From NBFC | | 1,933.43 | 1,720.97 |
| Total (A) | | 4,230.22 | 5,627.20 |
| B. Unsecured Borrowing | | | |
| i) Preference shares | | | |
| 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | | 1,433.35 | 1,357.52 |
| (Previous year 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each) | | | |
| ii) Related Parties | | - | - |
| iii) Other Parties | | 120.70 | 108.10 |
| Total (B) | | 1,554.05 | 1,465.62 |
| Total (A+B) | | 5,784.27 | 7,092.82 |

SAYAJI HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(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)

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. But this shares were reissued for another 5 years with the same terms & conditions

22.2 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: Addition during the year | (58.69) |
| Less: Liability component (Present value of Contractual Cash Outflows) | (501.30) |
| Equity Component | 940.01 |

22.3 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.

22.4 Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:-

| Name | Category | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---------------------|----------|------------------------|--------------|------------------------|--------------|
| | | % 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.

22.5 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Outstanding at the beginning of the year | 1000000 | 1000000 |
| Add : Issued during the year | - | - |
| Outstanding at the end of the year | 1000000 | 1000000 |

22.6 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:

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|------------------------------------|------------------------|-----------------|------------------------|-----------------|
| | Current | Non-Current | Current | Non-Current |
| From Banks | | | | |
| State Bank of India | 314.30 | 472.29 | 641.01 | 1578.6 |
| Axis Bank Ltd | 485.64 | 947.17 | 285.53 | 1373.37 |
| HDFC Bank Ltd | 16.62 | 21.33 | 15.33 | 37.95 |
| Sub Total (i) | 816.56 | 1,440.79 | 941.87 | 2,989.92 |
| From Financial Institutions | | | | |
| TFCL | 160.00 | 856.00 | 380.00 | 916.31 |
| Sub Total (ii) | 160.00 | 856.00 | 380.00 | 916.31 |
| From NBFC | | | | |
| Aditya Birla Finance Ltd | 305.41 | 1,933.43 | 152.53 | 1,720.96 |
| Sub Total (iii) | 305.41 | 1,933.43 | 152.53 | 1,720.96 |
| GRAND TOTAL (i)+(ii)+(iii) | 1,281.97 | 4,230.22 | 1,474.40 | 5,627.19 |

SAYAJI HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

22.7.2 Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, HDFC Bank Ltd & Aditya Birla Finance 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, Vadodara, Pune and Lease Hold Rights of the Amber Convention Center along with building Structure thereon & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered specifically 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 guaranteed 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 principal and interest is on monthly basis.

23 Other Non Current Financial Liabilities

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------|------------------------|------------------------|
| Deposits From Tenants | 58.81 | 48.01 |
| Lease Liability Payable | 7,666.63 | 12,287.78 |
| Others* | 2,000.00 | 2,000.00 |
| Total | 9,725.44 | 14,335.79 |

*Payable towards cancellation of agreement for land at Indore hotel. This amount is now payable in FY 2023-24. Interest @ 9% p.a is payable on the outstanding amount.

24 Provisions

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Provisions for Employee Benefits | | |
| Gratuity | 352.99 | 423.98 |
| Leave Encashment* | 233.04 | 257.39 |
| Total | 586.03 | 681.37 |

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.

25 Deferred Revenue

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| (a) Subsidy received from M.P. State Tourism Development Corp. Ltd. * | | |
| Opening Balance | 468.82 | 530.12 |
| Add: Received During the Year | | |
| Less: Amortised During the Year | 53.21 | 61.30 |
| Closing Balance | 415.61 | 468.82 |
| Less : Current Portion | (46.43) | (53.21) |
| Non Current Balance at the end of the year | 369.18 | 415.61 |
| (b) Life Membership Fees | | |
| Opening Balance | 42.38 | 49.07 |
| Add: Received During the Year | | |
| Less: Amortised During the Year | 6.69 | 6.69 |
| Closing Balance | 35.69 | 42.38 |
| Less : Current Portion | 6.69 | 6.69 |
| Non Current Balance at the end of the year | 29.00 | 35.69 |
| Closing at end | 398.18 | 451.30 |

* 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.

26 Current Financial Liabilities: Borrowings

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|------------------------|------------------------|
| A. Secured | | |
| Working capital facilities from Banks | 551.09 | 32.56 |
| Total (A) | 551.09 | 32.56 |
| B. Unsecured | | |
| Loans From related parties | 53.33 | 157.20 |
| Loans From others | 377.67 | 571.60 |
| Total (B) | 431.00 | 728.80 |
| Total (A+B) | 982.09 | 761.36 |

27 Current Financial Liabilities: Trade Payables

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Trade Payables* | | |
| (a) Total outstanding dues of micro enterprises and small enterprises; and | 26.37 | 15.64 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises. | 1,152.21 | 1,391.24 |
| Total | 1,178.58 | 1,406.88 |

*Trade payables are for goods purchased and services taken during the normal course of business.

28 Other Current Financial Liabilities

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Current Maturities of Long-Term Loans* | | |
| Secured Term Loans | | |
| From Banks | 816.56 | 941.87 |
| From Financial Institutions | 160.00 | 380.00 |
| From NBFC | 305.41 | 152.53 |
| Total (A) | 1,281.97 | 1,474.40 |
| Others | | |
| Creditors for capital Expenditure | 49.95 | 121.15 |
| Derivative Liabilities | 28.70 | 4.42 |
| Prepaid Lease Finance | 13.77 | 17.23 |
| Others | 803.11 | 663.78 |
| Total (B) | 895.53 | 806.58 |
| Total (A+B) | 2,177.50 | 2,280.98 |

* Refer note no.- 22.7 for loanwise current maturities and other terms and conditions.

29 Other Current Liabilities

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------------|------------------------|------------------------|
| Current portion of deferred revenue | 53.12 | 59.90 |
| Advance received from customers | 580.27 | 417.16 |
| Statutory Dues | 209.54 | 445.89 |
| Book Overdrafts | - | 87.32 |
| Others | 12.04 | 15.77 |
| Total | 854.97 | 1,026.04 |

30 Provisions

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------|------------------------|------------------------|
| Provision for | | |
| Gratuity | 55.65 | 111.22 |
| Leave Encashment | 47.56 | 62.95 |
| Bonus | 170.90 | 216.45 |
| Audit Fess | 0.50 | 0.50 |
| Expenses | 164.46 | 213.56 |
| Total | 439.07 | 604.68 |

31 Revenue From Operations

| Particulars | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|--|---------------------------------------|---------------------------------------|
| Sale of Products & Services (Gross) | | |
| Rooms | 2,891.27 | 8,089.79 |
| Food and Beverages | 4,211.02 | 11,456.54 |
| Other Services* | 605.54 | 1,951.95 |
| Total | 7,707.83 | 21,498.28 |

*Revenue from others services includes income from club, rental income and income from banquet service etc.

32 Other Income

| Particulars | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|---|---------------------------------------|---------------------------------------|
| Interest Earned* | 78.51 | 68.68 |
| Other Non -Operating Income | 132.07 | 111.91 |
| Excess/(Short) Provision of Earlier Year Written Back | 14.33 | 56.24 |
| Lease Rent Concession | 692.40 | - |
| Deferred Revenue Income (Subsidy) (See Note 3-B) | 53.21 | 61.30 |
| Other | 0.01 | - |
| Finance income on security deposit | 15.73 | 89.00 |
| Total | 986.26 | 387.13 |

33 Food & Beverages Consumed

| Particulars | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|----------------------|---------------------------------------|---------------------------------------|
| Opening Stock | 146.04 | 149.12 |
| Add : Purchases* | 1,489.24 | 4,251.04 |
| | 1,635.28 | 4,400.16 |
| Less : Closing Stock | 86.09 | 146.04 |
| Total | 1,549.19 | 4,254.12 |

*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.

34 Employee Benefit Expenses

| Particulars | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Salaries, Wages and Allowances | 1,968.31 | 5,246.34 |
| Contribution to P.F. and other Funds | 128.05 | 339.75 |
| Workmen and Staff Welfare Expenses | 16.09 | 66.90 |
| Workmen and Staff Uniform Expenses | 54.51 | 167.47 |
| Total | 2,166.96 | 5,820.46 |

35 Finance Cost

| Particulars | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|----------------------------------|---------------------------------------|---------------------------------------|
| Interest on term Loan | 651.82 | 604.12 |
| Interest on Others | 344.97 | 504.57 |
| Finance cost on lease payable | 984.55 | 1,053.82 |
| Interest on TDS | 0.15 | - |
| Other expenses | 63.88 | 5.18 |
| Finance cost on Preference Share | 155.15 | 216.30 |
| Other borrowing cost | 4.81 | - |
| Total | 2,205.33 | 2,383.99 |

SAYAJI HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021
36 Operating Expenses

| Particulars | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|------------------------------|---------------------------------------|---------------------------------------|
| Stores & Operating Supplies* | 306.83 | 536.40 |
| Repairs and Maintenance | | - |
| Building | 70.89 | 482.15 |
| Plant & Machinery | 81.93 | 159.70 |
| Others | 71.81 | 225.91 |
| Laundry Expenses | 79.10 | 232.77 |
| Guest pick up Expenses | 34.34 | 252.46 |
| Cable TV Expenses | 16.59 | 31.44 |
| Banquet Service expenses | 173.06 | 681.26 |
| Other Operating Expenses ** | 244.90 | 612.94 |
| Power and Fuel | 864.39 | 1,857.03 |
| Total | 1,943.84 | 5,072.06 |

*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

**Other Operating Expenses includes house keeping & upkeeping expenses, expenses for F&B operations & club.

37 Other Expenses

| Particulars | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|---|---------------------------------------|---------------------------------------|
| Lease Rent | 134.94 | 231.04 |
| Rates & Taxes | 186.35 | 176.67 |
| Insurance | 32.47 | 26.28 |
| Travelling and Conveyance | 34.22 | 77.84 |
| Postage, Telegram and Telephones | 35.02 | 68.22 |
| Advertisement and Publicity | 27.99 | 78.81 |
| Legal & Professional | 143.46 | 227.48 |
| Printing and Stationery | 16.54 | 50.61 |
| Credit Card Commission | 33.88 | 111.61 |
| Commission & Discount | 7.56 | 24.28 |
| Donation | 0.20 | - |
| Excess/(Short) Provision of Earlier Year Written Back | 3.20 | - |
| Other Expenses | 231.89 | 345.66 |
| Auditors' Remuneration | | |
| Statutory audit | 8.73 | 8.71 |
| Certification other matters | 2.00 | 2.00 |
| Prior Period Exp. | - | 0.01 |
| Property Consultant and Broking Charges | 11.85 | - |
| Sundry Balances W/off | (19.46) | 2.76 |
| Office Rent | 0.38 | 0.01 |
| Provision for doubtful debts | 5.67 | 19.45 |
| Loss on Impairment of Investment | - | 0.52 |
| Loss On Disposal/Retirement Of Assets | 1.42 | (13.15) |
| Total | 898.31 | 1,438.81 |

38 Exceptional Items Expense/(Income)

| Particulars | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|---|---------------------------------------|---------------------------------------|
| Payment under Sabka Vishwas (Legacy Dispute Resolution)Scheme,2019* | - | 469.40 |
| Total | - | 469.40 |

*Company has opted the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 announced by the Government for settlement of disputed matters of Service Tax, Excise etc. Total amount involved under such disputed matters was 992.70 lakhs which has been settled under the Scheme at Rs. 469.40 lakhs.

39 Earnings Per Share

| Particulars | Unit | For the year ended 31st March,2021 | For the year ended 31st March,2020 |
|---|--------------|---------------------------------------|---------------------------------------|
| a) Amount used as the numerator profit after tax | Rs. In lakhs | (5,255.00) | (1,914.61) |
| Less: Dividend on Preference Shares & Income Tax Thereon | | 120.56 | 120.56 |
| Net Profit/(Loss) attributable to equity share holders | | (5,375.56) | (2,035.17) |
| b) Weighted average number of equity shares used as the denominator in computing basic earning per share. | Nos. | 17518000 | 17518000 |
| Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares. | Nos. | - | - |
| Weighted average number of shares used in computing Diluted Earning per Share | Nos. | 1,75,18,000 | 1,75,18,000 |
| c) Nominal value per share | Rs. | 10 | 10 |
| d) Earnings Per Share: | | | |
| - Basic | Rs. | (30.69) | (11.62) |
| - Diluted | Rs. | (30.69) | (11.62) |

40 Disclosure as per Ind AS-7, Cash Flow Statement

The Company has accessed the following undrawn facilities at the end of reporting period

(Amount in Rs. Lakhs)

| Particulars | As on 31-03-2021 | As on 31-03-2020 |
|---------------------------------|------------------|------------------|
| Working capital Loans | | |
| Expiring Within One Year | 323.91 | 842.44 |
| Floating Rate Borrowings | | |
| Expiring Within One Year | - | - |

41 Disclosure As per Ind AS-12 Income Taxes

i) Income Tax recognised in statement of profit & loss account

(Amount in Rs. Lakhs)

| Particulars | For the year ended 2020-21 | For the year ended 2019-20 |
|-----------------------------------|----------------------------|----------------------------|
| Current Tax Expenses | | |
| Current year | 15.27 | 219.57 |
| Adjustment for earlier year | (44.02) | (28.93) |
| MAT Credit entitlement | - | - |
| Total current Tax expenses | (28.75) | 190.64 |
| Deferred Tax Expenses | (586.11) | (379.90) |
| Total Income tax expenses | (614.86) | (189.26) |

ii) Income tax recognised in other comprehensive income

(Amount in Rs. Lakhs)

| Particular | For the year ended 2020-21 | | | For the year ended 2019-20 | | |
|---|----------------------------|-------------------------|---------------|----------------------------|-------------------------|---------------|
| | Before tax | Tax expense/ Benefit | Net of tax | Before tax | Tax expense/ Benefit | Net of tax |
| Net actuarial gain/loss on defined benefit plan | 162.44 | (42.23) | 120.21 | 21.51 | (5.98) | 15.53 |
| Changes in cash flow hedge reserve | 14.25 | 4.08 | 18.33 | (51.95) | 4.40 | (47.55) |

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Profit before tax | (6,211.38) | (2,103.85) |
| Tax using company's domestic tax rate 26%(P.Y. 27.82%) | (1,614.96) | (547.37) |
| Add/(Less): Earlier Year tax | (44.02) | (28.93) |
| Add/(Less): MAT Adjustment | - | (19.32) |
| Add/(Less): Expenses not Allowed in Income Tax | 4.79 | 26.97 |
| Add/(Less): Deferred Tax | - | 86.33 |
| Add/(Less): Others | 256.47 | (74.11) |
| Add/(Less): Carry forward loss & depreciation | - | (68.16) |
| Add/(Less): Exempt Income | (13.84) | (17.05) |
| Add/(Less): Ind AS Adjustment | (50.49) | - |
| Add/(Less): Timing Difference on WDV of Asset | (0.87) | - |
| Add/(Less): Income not taxable in Income Tax | (1.55) | - |
| Add/(Less): Tax charge to/ credit on account of depreciation allowances | - | 46.07 |
| Add/(Less): Adjustment on account of Associate Share | 849.61 | 406.31 |
| Tax as per Statement of Profit & Loss | (614.86) | (189.26) |
| Effective Rate Of Tax | 9.90% | 9.00% |

42 Disclosure as per Ind AS-116, Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 by adopting 'modified retrospective approach' and accordingly company has not restated the comparative information. Further, in respect of leases that were classified as operating leases applying Ind AS 17, there is no impact on opening retained earnings. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset is measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments, relating to that lease recognised in the balance sheet immediately before the date of initial application i.e. 01.04.2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use assets' of Rs.16468.63 lakhs and a lease liability of Rs.13102.54 lakhs. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Consequent to the application of this standard, lease cost for the year was lower by Rs.898.82 lakhs, depreciation and interest is higher by Rs. 1207.77 lakhs and Rs. 984.55 lakhs respectively and Profit before taxes is lower by Rs.1246.97 lakhs. (Refer Note 2 for details with respect to 'Right-of-Use assets')

The summary of practical expedients elected on initial application is as follows:

- The company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- The company has not recognised right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- The company has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

"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 overall lease rentals for the period are as follows:

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|-------------------------------------|-------------------------------------|
| Minimum Lease payment/ Fixed Rentals | 1,033.89 | 1493.05 |
| Contingent rent recognised in Profit or Loss as Lease Cost. | (779.74) | (1262.01) |
| Total | 254.15 | 231.04 |

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:-

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|--|------------------|--------------------|
| Minimum Lease payment | | |
| Not later than one year; (including notional interest component) | 1,714.47 | 1,884.49 |
| Later than one year and not later than five years; | 4,906.72 | 6,307.05 |
| Later than five years; | 30,314.54 | 1,01,533.38 |
| Total | 36,935.73 | 1,09,724.92 |

The bifurcation of total lease liabilities into Current and Non-Current is as follows:

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|------------------|------------------|
| Current (excluding interest component on lease liability) | 777.08 | 601.99 |
| Non - Current | 7,666.63 | 12,287.78 |
| Total | 8,443.71 | 12,889.77 |

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, 2021:-

Changes in Present Value of Obligation

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------|-----------|
| Present value of obligation as on last valuation | 477.58 | 402.51 |
| Current Service Cost | 77.49 | 92.80 |
| Interest Cost | 30.86 | 30.18 |
| Participant Contribution | - | - |
| Plan Amendments: Vested portion at end of period(Past Service) | - | - |
| Plan Amendments: Non-Vested portion at end of period(Past Service) | - | - |
| Actuarial gain/loss on obligations due to Change in Financial Assumption | 21.90 | 26.26 |
| Actuarial gain/loss on obligations due to Change in Demographic assumption | - | - |
| Actuarial gain/loss on obligations due to Unexpected Experience | (156.80) | (74.17) |
| 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 | (42.39) | 57.62 |
| Curtailement cost | - | - |
| Settlement Cost | - | - |
| Other(Unsettled Liability at the end of the valuation date) | - | - |
| Present value of obligation as on valuation date | 408.64 | 535.20 |

Changes in Fair Value of Plan Assets

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------|-----------|
| Fair value of Plan Assets at Beginning of period | 26.26 | 24.54 |
| Interest Income | 1.98 | 1.87 |
| Employer Contributions | - | - |
| Participant Contributions | - | - |
| Acquisition/Business Combination | - | - |
| Settlement Cost | - | - |
| 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 | - | (0.15) |
| Fair value of Plan Assets at End of measurement period | 28.24 | 26.26 |

Table Showing Reconciliation to Balance Sheet

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|---|-----------|-----------|
| Funded Status | (374.39) | (508.94) |
| 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 | 34.25 | 26.26 |
| Fund Liability | (408.64) | (535.20) |

Table Showing Plan Assumptions

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|----------------------------------|----------------------------------|
| Discount Rate | 5.75% | 6.78% |
| Expected Return on Plan Asset | 0.00% | 7.60% |
| Rate of Compensation Increase(Salary Inflation) | 6.00% | 6.00% |
| Pension Increase Rate | N/A | N/A |
| Average expected future service (Remaining working Life) | N/A | 27.96 |
| Mortality Table | IALM 2012-2014 Ultimate | IALM 2012-2014 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 | 5.00% | 5% |
| Between 29-45 | 18.00% | 18% |
| below age 29 | 32.00% | 32% |
| Voluntary Retirement | Ignored | Ignored |

Expense Recognized in statement of Profit/Loss

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------|-----------|
| Current Service Cost | 75.45 | 92.14 |
| Past Service Cost(vested) | - | - |
| Net Interest Cost | 30.86 | 30.18 |
| Benefit Cost(Expense Recognized in Statement of Profit/loss) | 106.57 | 120.45 |

Expense Recognized in Other Comprehensive Income

(Amount in Rs. Lakhs)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------------|----------------|
| Actuarial gain/loss on obligations due to Change in Financial Assumption | 21.98 | 26.26 |
| Actuarial gain/loss on obligations due to Change in Demographic assumption | - | - |
| Actuarial gain/loss on obligations due to Unexpected Experience | (184.34) | (74.19) |
| Actuarial gain/loss on obligations due to Other reason | - | - |
| Total Actuarial (gain)/losses | (162.36) | (47.93) |
| Return on Plan Asset, Excluding Interest Income | 0.08 | 0.15 |
| The effect of asset ceiling | - | - |
| Balance at the end of the Period | (162.28) | (21.68) |
| Net(Income)/Expense for the Period Recognized in OCI | (162.28) | (21.68) |

Sensitivity Analysis

| Particulars | 31-Mar-21 | | 31-Mar-20 | |
|-------------------------------------|-----------------------|---------------|-----------|---------------|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate (-/+ 0.5%) | 373.78 | 420.88 | 401.42 | 449.65 |
| Salary Growth (-/+ 0.5%) | 418.62 | 369.29 | 447.53 | 398.88 |
| Bifurcation of Net liability | (Amount in Rs. Lakhs) | | | |
| Particulars | 31-Mar-21 | | 31-Mar-20 | |
| Current liability | | 55.65 | | 111.22 |
| Non-Current Liability | | 352.99 | | 423.98 |
| Total Liability | | 408.64 | | 535.20 |

(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).

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|--|-------------------------------|-------------------------------|
| Contribution towards Provident Fund and others | 136.63 | 379.77 |
| Total | 136.63 | 379.77 |

(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).

(Amount in Rs. Lakhs)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|-----------------|-------------------------------|-------------------------------|
| Leave Ecashment | 54.50 | 74.92 |
| Total | 54.50 | 74.92 |

44 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. 12, resulted in net gain/(Loss) of Rs. Nil (PY Nil) which has been accounted under relevant heads in Statement of Profit and loss.

45 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 |
| Mrs. Suchitra Sajid Dhanani, | Whole Time Director |
| Mr. Sandesh Khandelwal | Chief financial officer |
| Mr. Amit Sarraf | Company Secretary |

Subsidiary Company

Sayaji House Keeping Services Ltd

| | |
|-----------------------|----------|
| - Kayum Razak Dhanani | Director |
| - Raoof Razak Dhanani | Director |
| - Suchitra Dhanani | Director |

Sayaji Hotels (Vadodara) Limited

| | |
|-------------------------|----------|
| - Raoof Razak Dhanani | Director |
| - Suchitra Dhanani. | Director |
| - Rizwan Rafique Shaikh | Director |

Sayaji Hotels (Pune) Limited

| | |
|-----------------------|----------|
| - Raoof Razak Dhanani | Director |
| - Kayum Razak Dhanani | Director |
| - Suchitra Dhanani. | Director |

Sayaji Hotels Management Limited

| | |
|-----------------------|----------|
| - Raoof Razak Dhanani | Director |
| - Kayum Razak Dhanani | Director |
| - Suchitra Dhanani. | Director |

3 Enterprises where Key Management Personnel has control /interest

Winner Hotels Pvt Ltd
 Vicon Imperial Pvt. Ltd.
 Prinite Hospitality Pvt Ltd
 Kshipra Restaurants Pvt Ltd
 Ahilya Hotels Ltd.
 Taurus Qurium Impex (P) Ltd.
 Malwa Hospitality Pvt Ltd
 M/s Tungabhadra fertulizer & chemical Ltd
 M/s Liberty Restaurent Pvt Ltd

4 Relatives of KMPs

Zuber Y Dhanani
 Azher Y Dhanani
 Saba R Dhanani
 Sadiya R Dhanani
 Sara K Dhanani
 Sanya S Dhanani
 Rizwan R Sheikh
 Versha Khandelwal
 Sumeira Dhanani
 Jameel Taheer Sayed

5 Independent Directors

Mr. T. N. Unni
 Mrs. Isha Garg
 Mr. Saquib Agboatwala
 Mr. Abhay Chintaman Chaudhari

| Sr.No. | Nature of Transactions | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|----------|--|-------------------------------|-------------------------------|
| A | KEY MANAGEMENT PERSONNEL | | |
| | Remuneration/ Salary | 51.99 | 90.32 |
| | Payable At The Year End | 53.34 | 157.20 |
| | Payment Of Interest | 25.50 | 131.40 |
| B | ASSOCIATE COMPANIES/ FIRMS/ RELATIVES | | |
| | Lease Rent Expenses | 730.47 | 1,154.72 |
| | Income From Business Support Services | 20.61 | 150.33 |
| | Receivable At The Year End | 336.59 | 123.40 |
| | Payable At The Year End | 28.35 | 151.40 |
| | Lease Rent And Cam Charges Received | 24.90 | 42.00 |
| | Reimbursement Of Expenses Received | - | 65.35 |
| | Payment Of Interest | 10.10 | 13.53 |
| | Payment Of Salary | 15.33 | 26.04 |
| | Royalty | 4.86 | - |
| | Payment Of Professional Fee | 4.68 | 9.00 |
| C | Compensation to Independent Directors | | |
| | Sitting fees | 2.25 | - |
| | Total | 2.25 | - |

46 Disclosure 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 is given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs.2400 lakhs (P.Y. Rs 2400 lakhs).Outstanding balance of loan of Malwa Hospitality Pvt Ltd there against for the year ended 31st March, 2021 from SBI is Rs.800.26 lakhs (P.Y Rs 1317.39 lakhs).
- (ii) Custom duties saved against imports under EPCG scheme is Rs. 229.72 lakhs (P.Y Rs 229.72 lakhs)
- (iii) Disputed liability of Rs 13.89 lakhs (P.Y. 3.56 lakhs) not provided for in respect of Income Tax TDS (AY 2009-10,2010-11,2012-13 and 2014-15)
- (iv) Disputed liability of Rs 1.09 Crs not provided for in respect of Income Tax (AY 2014-15) the matters are pending before ITAT -Ahemdabad.
- (v) Disputed liability of Rs 53.47 lakhs not provided for in respect of Commercial tax (FY 2015-16 & 2016-17). The matters are pending before Commissioner -Appeal Commercial tax ,Indore. (P.Y. Rs. 17.01 Lakhs)
- (vi) Disputed liability of Rs 1.76 lakhs not provided for in respect of Commercial tax (FY 12-13 & 14-15). The matter is pending before Appellate Tribunal- Commercial tax ,Indore. (P.Y. Rs. 1.76 Lakhs)
- (vii) 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. 55.12 lakhs).
- (viii) Arrears of Cumulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 720.82 lakhs (P.Y. Rs.600.26 lakhs).
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. Last date of hearing was 13th March 2020 and thereafter dates not fixed in view of the ongoing pandemic Covid19. 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 order under the said eviction proceedings. Last date of hearing in eviction matter was 26th February 2020 and thereafter dates not fixed in view of the ongoing pandemic Covid19.
- (x) 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.
- (xi) Disputed liability of Rs. 10.31 lakhs not provided for in respect of cases filed in labour court. (P.Y. Rs. 1.29 lakhs)
- (xii) Disputed liability of Rs. 16.10 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Indore. (P.Y. 16.10 lakhs)
- (xiii) Disputed liability of Rs. 50.00 lakhs not provided for in respect of case filed by a customer in Consumer Forum, Bhopal. (P.Y.50 lakhs)

Other Notes

Company had filed an application before NCLT, Chennai for approval of composite scheme of amalgamation and demerger. The scheme involved amalgamation of Ahilya Hotels Limited (holding 14.01% shares in the company) with the Company. Further, it involved demerger of Pune & Vadodara hotel into a new company viz. Sayaji Hotels (Pune) Limited (SHPL). The scheme further involved 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). In the Board meeting dated 14.11.2019 company has decided to withdraw the scheme and hence on 11th December 2019 Company has applied to NCLT, Chennai for withdrawal of the scheme and on 18th January 2021 got the order of withdrawal of scheme.

II Commitments

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil)

47 Disclosure as per Ind AS-105, Non Current Assets held for sale and Discontinued Operations

47.1 Disposal of Subsidiary operations

On December 03, 2020, the Company entered into a sale agreement to dispose of shares of Malwa Hospitality Pvt Limited, which had one operating hotel under it. The proceeds of sale substantially exceeded the carrying amount of the related net assets and, accordingly, no impairment losses were recognised on the reclassification of these operations as held for sale. The disposal was completed on December 31, 2020, control was passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in Note 47.4.

47.2 Analysis of Profit for the year from Discontinued Operations

The combined results of the discontinued operations (i.e. Malwa Hospitality Pvt Ltd) included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

| | For the Year ended 31.03.2021 | For the Year ended 31.03.2020 |
|---|----------------------------------|----------------------------------|
| Profit for the year from discontinued operations | | |
| Revenue | 502.79 | 2,508.18 |
| Other Incomes | 186.65 | 47.83 |
| | <u>689.44</u> | <u>2,556.01</u> |
| Depreciation | 203.05 | 366.90 |
| Other respective items debited to Profit or loss | 856.38 | 2,226.00 |
| | <u>1,059.43</u> | <u>2,592.90</u> |
| Profit Before Tax (I) | (369.99) | (36.89) |
| Attributable income tax expenses (II) | (59.67) | 103.51 |
| | <u>(310.32)</u> | <u>(140.40)</u> |
| Loss on remeasurement to fair value less costs to sell | - | - |
| Gain/ (Loss) on disposal of operation (As per Note 47.4.2) (III) | 711.51 | - |
| Attributable Income tax expenses (IV) | - | - |
| | <u>711.51</u> | <u>-</u> |
| Profit from discontinued operations before tax (I+III) | 341.52 | (36.89) |
| Tax expense of discontinued operations (II+ IV) | (59.67) | 103.51 |
| Profit from discontinued operations (after tax) | <u>401.19</u> | <u>(140.40)</u> |
| Profit for the year from discontinued operations (attributable to owners of the company) | <u>401.19</u> | <u>(140.40)</u> |

47.3 Cash Flows from discontinued operations

| | For the Year ended 31.03.2021 | For the Year ended 31.03.2020 |
|--|----------------------------------|----------------------------------|
| Net cash inflows from operating activities | 631.12 | 829.02 |
| Net cash inflows from investing activities | 14.18 | 8.10 |
| Net cash inflows from financing activities | (737.77) | (781.50) |
| Net Cash Inflows | <u>(92.47)</u> | <u>55.62</u> |

47.4 Disposal of a subsidiary

On December 03, 2020, the Group disposed of Malwa Hospitality Pvt Ltd. Which carried its Hotel operations.

Consideration Received

| | For the Year ended 31.03.2021 |
|---|----------------------------------|
| Consideration Received in cash and cash equivalents | 689.4 |
| Deferred sales proceeds | - |
| Total consideration received | <u>689.4</u> |

47.4.1 Analysis of asset and liabilities over which control was lost

| | As of 31.12.2020 |
|---------------------------------|------------------|
| Current Assets | |
| Cash and Cash equivalents | 110.74 |
| Trade receivables | 45.03 |
| Inventories | 110.27 |
| Loans | 68.74 |
| Other | 142.48 |
| Non-Current Assets | |
| Property, Plant and equipment | 4,689.59 |
| Goodwill | - |
| Financial Assets | 10.40 |
| Others | 8.58 |
| | <u>5,185.83</u> |
| Current Liabilities | |
| Trade Payables | 132.09 |
| Other | 465.22 |
| Provisions | 117.84 |
| Other | 35.35 |
| Non- Current Liabilities | |
| Borrowings | 554.31 |
| Deferred tax liabilities | (296.54) |
| Other Financial Liabilities | 4,171.58 |
| Provisions | 51.57 |
| | <u>5,231.42</u> |
| Net assets Disposed off | <u>(45.59)</u> |

47.4.2 Gain on Disposal of a Subsidiary

| | For the Year ended 31.03.2021 |
|---|----------------------------------|
| Consideration received | 689.40 |
| Net assets disposed of | (45.59) |
| Non-controlling interests | (22.03) |
| Adjustment Related to Cash Flow Hedge Reserve | 1.45 |
| | <u>711.51</u> |

The gain on disposal is included in the profit for the year from discontinued operations (see note no. 47.2)

47.4.3 Net cash inflow on disposal of a subsidiary

| | For the Year ended 31.03.2021 |
|--|----------------------------------|
| Consideration received in cash and cash equivalents | 689.40 |
| less: cash and cash equivalent balances disposed off | - |
| | <u>689.40</u> |

48 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, 2021 and March 31, 2020.

49 Earnings in Foreign Currency :

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|--|-------------------------------|-------------------------------|
| Earnings in Foreign Currency | | |
| -Sale of Rooms and Food Beverages (Inclusive of Taxes) | 75.71 | 1,328.71 |
| CIF Value of imports & Expenditure (on accrual basis) | | |
| -Import Value of Capital Goods | - | - |
| -Import Value of Non-Capital Goods | 12.51 | 11.19 |

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, 2021 & March 31st, 2020 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

| Particulars | (Amount in Rs. Lakhs) | |
|--|-----------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL) | | |
| Non-current Investment | 0.21 | 0.21 |
| Non-current Loans | 1,023.69 | 938.68 |
| Other Non-Current Financial Assets | 119.08 | 120.38 |
| Cash & Cash Equivalent | 366.08 | 558.83 |
| Bank balances other than cash and cash equivalents | 9.58 | 14.04 |
| Current Loans | 498.32 | 992.84 |
| Other Current Financial Assets | 600.95 | 355.50 |
| Total | 2,617.91 | 2,980.48 |
| Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL) | | |
| Investment in Associates | 4,938.58 | 266.76 |
| Trade Receivables | 371.38 | 579.23 |
| Total | 5,309.96 | 845.99 |

(ii) Ageing of trade receivables

The Ageing of trade receivables is as below:

| Ageing | (Amount in Rs. Lakhs) | | | | | |
|--|-----------------------|---------------------|-----------------------|--------------------|--------------------|---------------|
| | 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 31.03.2021 | 158.89 | 151.44 | 26.17 | 29.74 | 22.96 | 389.20 |
| Impairment loss recognised on above | 1.77 | - | - | - | 16.05 | 17.82 |
| Gross Carrying amount as on 31.03.2020 | 44.47 | 456.49 | 31.59 | 31.72 | 29.97 | 594.24 |
| Impairment loss recognised on above | - | - | - | 1.07 | 13.94 | 15.01 |

(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:

(Amount in Rs. Lakhs)

| Particulars | Trade Receivables | Investment in subsidiaries | Advances | Total |
|------------------------------|-------------------|----------------------------|----------|-------|
| Balance as at March 31, 2020 | 35.14 | - | - | 35.14 |
| Impairment loss recognised | 5.67 | - | - | 5.67 |
| Amounts written off | 40.81 | - | - | 40.81 |
| Balance as at March 31, 2021 | - | - | - | - |

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:

(Amount in Rs. Lakhs)

| Particulars | On Demand | Within 1 year | 1-2 years | 2-5 years | More than 5 years | Total |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|------------------|
| Year ended March 31st, 2021 | | | | | | |
| Term Loans* | - | 1,281.97 | 1,612.39 | 2,617.84 | - | 5,512.20 |
| Trade Payables | 1,178.58 | - | - | - | - | 1,178.58 |
| Cash credit | 551.09 | - | - | - | - | 551.09 |
| Other Payables | - | 1,285.97 | 2,000.17 | - | 1,612.86 | 4,899.00 |
| Finance Lease Payable | - | - | - | - | - | - |
| Other Financial Liabilities# | - | 895.53 | 802.40 | 1,146.67 | 5,717.38 | 8,561.98 |
| Total | 1,729.67 | 3,463.47 | 4,414.96 | 3,764.51 | 7,330.24 | 20,702.85 |

| Particulars | On Demand | Within 1 year | 1-2 years | 2-5 years | More than 5 years | Total |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|------------------|
| Year ended March 31st, 2020 | | | | | | |
| Term Loans* | - | 1,474.40 | 1,894.12 | 3,577.86 | 155.22 | 7,101.60 |
| Trade Payables | 1,408.45 | - | - | - | - | 1,408.45 |
| Cash credit | 32.56 | - | - | - | - | 32.56 |
| Other Payables | - | 837.43 | - | 2,000.00 | 1,405.53 | 4,242.96 |
| Finance Lease Payable | - | 100.93 | 117.45 | 487.80 | 4,776.62 | 5,482.80 |
| Other Financial Liabilities# | - | 703.56 | 602.41 | 944.26 | 5,359.23 | 7,609.46 |
| Total | 1,441.01 | 3,116.32 | 2,613.98 | 7,009.92 | 11,696.60 | 25,877.83 |

* 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:

(Amount in Rs. Lakhs)

| Particulars | 31st March 2021 | 31st March 2020 |
|------------------------------|-----------------|-----------------|
| Financial Liabilities | | |
| Borrowings | 786.50 | 795.84 |
| Derivative Liability | 28.70 | 4.42 |

Foreign Currency Rate Sensitivity Analysis

| Particulars | Impact on profit after tax for the year ended | |
|-------------------------------|---|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Decrease in rate by 1% | | |
| Increase in profit | 8.15 | 8.00 |
| Increase in rate by 1% | | |
| Decrease in profit | 8.15 | 8.00 |

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:

| Particulars | (Amount in Rs. Lakhs) | |
|----------------------------------|-----------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Financial Assets | | |
| Fixed Rate | | |
| Loans | - | - |
| Security Deposit | 1,023.69 | 938.68 |
| Bank Deposit | 128.66 | 134.42 |
| Total | 1,152.35 | 1,073.10 |
| Financial Liabilities | | |
| Fixed Rate | | |
| Working capital loans | 551.09 | 32.56 |
| Unsecured Loans | 4,899.00 | 2,134.86 |
| Sub-Total (i) | 5,450.09 | 2,167.42 |
| Variable Rate Instruments | | |
| Term Loans | 5,512.20 | 7,101.60 |
| Sub-Total (ii) | 5,512.20 | 7,101.60 |
| Total (i) + (ii) | 10,962.29 | 9,269.02 |

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:

| Particulars | (Amount in Rs. Lakhs) | |
|------------------------|--------------------------|----------------|
| | Effect of Profit or Loss | |
| | 50 bp increase | 50 bp decrease |
| 31st March 2021 | | |
| Financial Liabilities | (2.76) | 2.76 |
| | (2.76) | 2.76 |
| 31st March 2020 | | |
| Financial Liabilities | (3.99) | 3.99 |
| | (3.99) | 3.99 |

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.

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 | (Amount in Rs. Lakhs) | |
|----------------------------------|-----------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Gross Debt | 10,962.29 | 9,269.02 |
| Less : Cash and cash equivalents | 366.08 | 558.83 |
| Net Debt (A) | 10,596.21 | 8,710.19 |
| Total Equity (B) | 10,728.81 | 7,294.09 |
| Gearing Ratio (A/B) | 0.99 | 1.19 |

Financial Instruments By Category (Amount in Rs. Lakhs)

| Particulars | As At 31-03-2021 | | |
|----------------------------------|------------------|----------|------------------|
| | FVTPL | FVTOCI | Amortized cost |
| Financial Assets: | | | |
| Investment | | | |
| - Equity Instrument (unquoted) | 0.21 | - | - |
| Loans | - | - | 1,522.01 |
| Trade Receivables | - | - | 371.38 |
| Cash and Cash Equivalents | - | - | 366.08 |
| Other Bank Balance | - | - | 9.58 |
| Other financial assets | - | - | 718.94 |
| Total Financial Assets | 0.21 | - | 2,987.99 |
| Financial Liability: | | | |
| Borrowings | - | - | 6,766.36 |
| Derivative Liability | 28.70 | - | 28.70 |
| Trade Payable | - | - | 1,178.58 |
| Other Financial Liabilities | - | - | 11,902.94 |
| Total Financial Liability | 28.70 | - | 19,876.58 |

(Amount in Rs. Lakhs)

| Particulars | As At 31-03-2020 | | |
|----------------------------------|------------------|----------|------------------|
| | FVTPL | FVTOCI | Amortized cost |
| Financial Assets: | | | |
| Investment | | | |
| - Equity Instrument (unquoted) | 0.21 | - | - |
| Loans | - | - | 1,931.52 |
| Trade Receivables | - | - | 579.23 |
| Cash and Cash Equivalents | - | - | 558.83 |
| Other Bank Balance | - | - | 14.04 |
| Other financial assets | - | - | 475.88 |
| Total Financial Assets | 0.21 | - | 3,559.50 |
| Financial Liability: | | | |
| Borrowings | - | - | 7,854.18 |
| Derivative Liability | 4.42 | - | - |
| Trade Payable | - | - | 1,406.88 |
| Other Financial Liabilities | - | - | 16,616.77 |
| Total Financial Liability | 4.42 | - | 25,877.83 |

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 :

- recognised and measured at fair value and
- 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 2021

Financial Instrument measured at Fair Value - recurring fair value measurement (Amount in Rs. Lakhs)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|--|----------|--------------|-------------|--------------|
| Financial Assets | | | | |
| Investment | | | | |
| - Equity Instrument (unquoted) | - | - | 0.21 | 0.21 |
| -Non Current Asset held for sale(Net of Liabilities) | - | - | - | - |
| Financial Liabilities | | | | |
| Derivatives | - | 28.70 | - | 28.70 |
| Total | - | 28.70 | 0.21 | 28.91 |

As at 31st March 2020

Financial Instrument measured at Fair Value - recurring fair value measurement (Amount in Rs. Lakhs)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|----------|-------------|-------------|-------------|
| Financial Assets | | | | |
| Investment | | | | |
| - Equity Instrument (unquoted) | - | - | 0.21 | 0.21 |
| Financial Liabilities | | | | |
| Derivatives | - | 4.42 | - | 4.42 |
| Total | - | 4.42 | 0.21 | 4.63 |

(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:

| | |
|----------------|--|
| Level 1 | 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. |
| Level 2 | 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. |
| Level 3 | 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

(Amount in Rs. Lakhs)

| Particulars | As at 31st March 2021 | | |
|--|-----------------------|----------------|------------|
| | Level | Carrying Value | Fair Value |
| Financial Assets | | | |
| Trade Receivables | 3 | 371.38 | 371.38 |
| Cash and Cash Equivalents | 3 | 366.08 | 366.08 |
| Bank balances other than cash and cash equivalents | 3 | 9.58 | 9.58 |
| Loan | 3 | 1,522.01 | 1,522.01 |
| Security deposit | 3 | 1,023.69 | 1,023.69 |
| Other Financial Assets | 3 | 718.94 | 718.94 |
| Financial Liabilites | | | |
| Borrowings | 3 | 6,766.36 | 6,766.36 |
| Trade Payables | 3 | 1,178.58 | 1,178.58 |
| Other Financial Liabilities | 3 | 11,902.94 | 11,902.94 |

(Amount in Rs. Lakhs)

| Particulars | As at 31st March 2020 | | |
|--|-----------------------|----------------|------------|
| | Level | Carrying Value | Fair Value |
| Financial Assets | | | |
| Trade Receivables | 3 | 579.23 | 579.23 |
| Cash and Cash Equivalents | 3 | 558.83 | 558.83 |
| Bank balances other than cash and cash equivalents | 3 | 14.04 | 14.04 |
| Loan | 3 | 992.84 | 992.84 |
| Security deposit | 3 | 938.68 | 938.68 |
| Other Financial Assets | 3 | 475.88 | 475.88 |
| Financial Liabilites | | | |
| Borrowings | 3 | 7,854.18 | 7,854.18 |
| Trade Payables | 3 | 1,406.88 | 1,406.88 |
| Other Financial Liabilities | 3 | 16,616.77 | 16,616.77 |

53 Ind AS 112: Disclosure of Interest In other Entities

(a) Subsidiaries

The group's subsidiaries at 31 March 2021 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 | |
|--|-----------------------------|--------------------------------------|------------|---|------------|
| | | 31-03-2021 | 31-03-2020 | 31-03-2021 | 31-03-2020 |
| Malwa Hospitality Private Limited | India | - | 51.67% | 100.00% | 48.33% |
| Sayaji Housekeeping Services Limited * | India | 100.00% | 100.00% | - | - |
| Aries Hotels Private Limited | India | - | 52.37% | 100.00% | 47.63% |
| Sayaji Hotels(Vadodara) Limited | India | 100.00% | - | - | - |
| Sayaji Hotels Management limited | India | 100.00% | - | - | - |
| Sayaji Hotels(Pune) Limited | India | 100.00% | - | - | - |

* Preference share capital

| | | | | | |
|--------------------------------------|-------|------|------|---|---|
| Sayaji Housekeeping Services Limited | India | 100% | 100% | - | - |
|--------------------------------------|-------|------|------|---|---|

* 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 | |
|----------------------------------|-----------------------------|--------------------------------------|------------|---|------------|
| | | 31-03-2021 | 31-03-2020 | 31-03-2021 | 31-03-2020 |
| Barbeque-Nation Hospitality Ltd. | India | 37.18% | 45.10% | 62.82% | 54.90% |

Summarised Financial Information

| Particulars | 31-03-2021 | 31-03-2020 |
|--|------------|------------|
| Balance sheet Items | | |
| Current assets | 31,652.50 | 6,448.40 |
| Non-Current assets | 82,128.60 | 89,115.50 |
| Current Liabilities | 38,502.00 | 27,454.30 |
| Non-Current Liabilities | 50,508.10 | 66,994.90 |
| Cash and Cash Equivalents | 24,549.40 | 1,469.60 |
| Current Financial Liabilities (Excluding trade and other payables and provisions) | 23,203.70 | 10,762.90 |
| Non-Current Financial Liabilities(Excluding trade and other payables and provisions) | 49,624.10 | 66,141.70 |

Profit and Loss Items

| | 31-03-2021 | 31-03-2020 |
|---|------------|------------|
| Revenue | 55,313.00 | 85,079.40 |
| Profit or Loss from continuing operations | 11,540.00 | (3,292.80) |
| Profit or Loss from discontinued operations | - | - |
| Other Comprehensive Income | 255.60 | (264.90) |
| Total comprehensive Income | 8,932.90 | (3,557.70) |
| Depreciation and amortisation | 12,117.00 | 13,396.30 |
| Interest Income | 314.40 | 229.10 |
| Interest Expense | 7,903.60 | 6,812.80 |
| Income Tax expense or income | - | 779.20 |
| Dividend Income | - | 126.21 |

Schedule III to the Companies Act, 2013

| Name of the Entity in the group | 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 | | | | | | |
| 31-03-2021 | - | - | 5.49% | (310.32) | 41.48% | 34.67 |
| 31-03-2020 | 3.15% | 230.06 | 7.33% | (140.40) | 23.93% | (36.24) |
| Sayaji Housekeeping Services Limited | | | | | | |
| 31-03-2021 | 11.46% | 1,229.57 | -0.79% | 44.55 | - | - |
| 31-03-2020 | 16.25% | 1,185.02 | -9.23% | 163.72 | - | - |
| Barbeque-Nation Hospitality Ltd. | | | | | | |
| 31-03-2021 | 46.03% | 4,938.58 | 54.15 | (3,363.76) | 40.69 | 95.04 |
| 31-03-2020 | 3.66% | 266.81 | 76.28% | (1,460.51) | 78.86% | (119.44) |
| Sayaji Hotels(Vadodara) Limited | | | | | | |
| 31-03-2021 | 0.00% | 0.53 | 0.03% | (1.56) | - | - |
| 31-03-2020 | 0.03% | 2.09 | 0.14% | (2.72) | - | - |
| Sayaji Hotels Management limited | | | | | | |
| 31-03-2021 | -3.06% | (328.17) | 2.84% | (160.44) | - | - |
| 31-03-2020 | -2.30% | (167.73) | 8.76% | (167.81) | - | - |
| Sayaji Hotels(Pune) Limited | | | | | | |
| 31-03-2021 | 0.02% | 2.47 | 0.02% | (1.03) | - | - |
| 31-03-2020 | 0.05% | 3.50 | 0.05% | (1.05) | - | - |

54 Disclosure as per Ind AS-115, Revenue from Contract with Customers

(Amount in Rs. Lakhs)

| Revenue from contract with customers | For the period 2020-21 | For the period 2019-20 |
|--------------------------------------|------------------------|------------------------|
| Rooms | 2,891.27 | 9,665.26 |
| Food and Beverages | 4,211.02 | 12,353.86 |
| Other Services | 605.54 | 1,987.34 |

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.

(Amount in Rs. Lakhs)

| Particulars | At a point in time | | Over the period of time. | |
|--------------------|------------------------|------------------------|--------------------------|------------------------|
| | For the period 2020-21 | For the period 2019-20 | For the period 2020-21 | For the period 2019-20 |
| Rooms | 2,891.27 | 9,665.26 | - | - |
| Food and Beverages | 4,211.02 | 12,353.86 | - | - |
| Other Services | 605.54 | 1,987.34 | - | - |

55 Impact of COVID-19 :

Negative working capital:

As at the year end, the Company's current liabilities have exceeded its current assets by Rs. 945.67 lakhs primarily on account of current maturities of long term borrowings aggregating to Rs. 1281.97 lakhs & Lease Liability of Rs. 777.08 Lakhs. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

The Group faces significant uncertainties due to COVID-19 which have severely impacted the operations of the Group adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections.

During the year the Group has availed moratorium facilities granted by Reserve Bank of India and also availed the financial assistance to the tune of Rs. 9.44 crore from its lenders under the Guaranteed Emergency Credit Line scheme of the Central Government. The promoters has reaffirmed their commitment to arrange funds for the operational requirements of the group to avoid any disruption to the operations. Also refer note 6 under point no. D (Major Estimates in Preparing Financial Statements in the Significant Accounting Policies-1) Estimation uncertainty relating to the global health pandemic on COVID-19.

Based on aforesaid assessment, management believes that, as per the estimates made conservatively, the Group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2021.

56 The Company has reclassified previous year figures to conform to this year classification.

Significant Accounting Policies and other Notes 1-56
These notes form an integral part of these financial statements
In term of our report attached

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

For and on behalf of Board of Directors

Himanshu Sharma
Partner
M.No. 402560

T.N Unni
Director
DIN-00079237

Raof Razak Dhanani
Managing Director
DIN-00174654

Place: Indore
Date: 30th June 2021

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary



Sayaji Vadodara



Sayaji Raipur



Sayaji Pune



Sayaji Kolhapur



Sayaji Bhopal



Sayaji Indore



Sayaji Rajkot



Effotel Vadodara



Effotel Indore



Effotel Gurugram



Enrise Rau

