



*Asian Hotels (North) Limited*



39th

Annual Report 2019-20

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shiv Kumar Jatia  
*Chairman and Managing Director*  
Lalit Bhasin  
Dinesh Chandra Kothari  
Preeti Gandhi  
Akhilesh Bhuwalka  
Amritesh Jatia

## CHIEF FINANCIAL OFFICER

Dinesh Bhalotia  
*Director – Finance and Strategy*

## COMPLIANCE OFFICER

Dinesh Kumar Jain  
*Vice President (Corporate Affairs) &  
Company Secretary*

## AUDITORS

Dhirubhai Shah & Co LLP  
Chartered Accountants  
4<sup>th</sup> Floor, Aditya Building  
Near Sardar Patel Seva Samaj  
Mithakali Six Roads, Ellisbridge  
Ahmedabad - 380 006

## BANKERS

Axis Bank Limited  
Bank of Maharashtra  
DBS Bank Limited  
IndusInd Bank Limited  
Punjab National Bank  
Yes Bank Limited

## REGISTRAR & TRANSFER AGENTS

KFin Technologies Private Limited  
Selenium – Tower B, Plot No. 31 & 32  
Financial District, Nanakramguda  
Serilingampally Mandal  
Hyderabad - 500 032  
Tel: 91 40 67162222  
Website: [www.kfintech.com](http://www.kfintech.com)  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## REGISTERED OFFICE & INVESTOR RELATIONS DEPARTMENT

Bhikaiji Cama Place, M. G. Marg, New Delhi – 110 066  
Tel: 91 11 66771225-26, Fax: 91 11 26791033  
Website: [www.asianhotelnorth.com](http://www.asianhotelnorth.com) E-mail: [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com)

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# ASIAN HOTELS (NORTH) LIMITED

CIN: L55101DL1980PLC011037

Registered Office: Bhikaiji Cama Place, M. G. Marg,  
New Delhi – 110066

Phone: 011 66771225/26; Fax: 011 26791033

Website: www.asianhotelnorth.com

E-mail: investorrelations@ahlnorth.com

## NOTICE

Notice is hereby given that the Thirty Ninth (39<sup>th</sup>) Annual General Meeting (hereinafter referred to as “the AGM”) of ASIAN HOTELS (NORTH) LIMITED (hereinafter also referred to as “the Company”) will be held on Thursday, the 24<sup>th</sup> December, 2020, at 11.30 a.m. Indian Standard Time, through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business. The venue of the AGM shall be deemed to be the Registered Office of the Company.

### ORDINARY BUSINESS:

1. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited Stand-alone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, including the Balance Sheet as at 31<sup>st</sup> March, 2020, and the respective Statement of Profit & Loss and Cash Flow Statement and Statement of Changes in Equity for the year ended as on that date, and the accompanying Notes thereto, along with the Auditors’ Report and Directors’ Report thereon, be and are hereby received, approved and adopted.

**RESOLVED FURTHER THAT** the audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, including the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2020, the respective Consolidated Statements of Profit & Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended as on that date, and the accompanying Notes thereto, along with the Auditors’ Report thereon, be and are hereby received, approved and adopted.”

2. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Amrutesh Jatia (DIN: 02781300), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013.”

3. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made there-under, as amended or re-stated from time to time, M/s V. V. Kale & Company, Chartered Accountants, Firm Registration No.: 000897N, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 44<sup>th</sup> Annual General Meeting of the Company, initially at such remuneration as is detailed in the Explanatory Statement to this Notice, and in due course, at such remuneration as may be agreed to and fixed by the Board of Directors of the Company considering the stipulations mentioned in the said Explanatory Statement, as the said appointment is being made consequent to the completion of tenure of the existing Auditors, namely M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, (Firm Registration No.: 102511W/W100298) at the conclusion of this Annual General Meeting.”

### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Akhilesh Bhuwalka (DIN:02764273), who was appointed as an additional director of the Company and whose term expires under Section 161(1) of the Companies Act, 2013 (the Act) at this Annual General Meeting, be and is hereby appointed as a Director of the Company in pursuance of Section 160(1) and other applicable provisions of the Act, liable to retire by rotation pursuant to Section 152 of the Act.”

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Ms. Preeti Gandhi (DIN:08552404), who was appointed as an additional director of the Company acting in the capacity of Independent Non-Executive Director of the Company with effect from 13<sup>th</sup> September, 2020 in pursuance of Section 161(1) read with Section 149(6) of the Companies Act, 2013 (the Act), and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Non-Executive Director of the Company in pursuance of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules made there-under read with Schedule IV to the Act and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or re-stated from time to time, to hold office for a term of two consecutive years ending 12<sup>th</sup> September, 2022.”

By order of the Board  
of ASIAN HOTELS (NORTH) LIMITED



Dinesh Kumar Jain  
Vice-President (Corporate Affairs) &  
Company Secretary  
Membership No.: FCS 6224

Place: New Delhi

Date: 12<sup>th</sup> November, 2020

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES:

1. This AGM is being convened and shall be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in pursuance of the provisions outlined by the Ministry of Corporate Affairs vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, read with General Circular Nos. 14/2020 and 17/2020 dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 respectively (herein after collectively referred to as the MCA Circulars) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by Securities and Exchange Board of India (SEBI) (herein after referred to as the SEBI Circular) without the physical presence of the members at a common venue. The detailed instructions for accessing and participating in the AGM through VC/OAVM facility is mentioned in Note No. 14 below.

Accordingly, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose names appear in the Register of Members/list of beneficial owners as furnished by the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of Friday, the 27<sup>th</sup> November, 2020, and have their email addresses registered with the Company/Depositories.

Members may note that Notice of the AGM and Annual Report 2019-20 will also be available on the Company's website [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and also on the website of the Registrar & Transfer Agent namely KFin Technologies Pvt. Ltd. (RTA) at <https://evoting.kfintech.com/>.

2. Since the AGM shall be held through VC/OAVM and the physical attendance of Members has been dispensed with in terms of the MCA Circulars, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Companies Act, 2013 (the Act) will not be available for the AGM. Hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

Institutional/Corporate Members are advised to appoint their Authorized Representatives in pursuance of Section 113 of the Act for the purposes of exercising remote e-voting, attending the AGM through VC/OAVM and e-Voting during the AGM. Institutional/Corporate Members intending to appoint their authorized representatives are requested to provide a duly certified copy of the Resolution of its Board or Governing Body under Section 113 of the Act (in PDF Format), authorizing them to exercise remote e-voting, attend the AGM through VC/OAVM and exercise e-Vote at the AGM, and email the same to the Scrutinizer through their registered email at [rupesh@cacsindia.com](mailto:rupesh@cacsindia.com) with a copy marked to the Company and the RTA at [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com) and [evoting@kfintech.com](mailto:evoting@kfintech.com) respectively.

3. Members attending the AGM through VC/OAVM shall be reckoned for the purposes of the quorum under Section 103 of the Act.
4. An explanatory Statement pursuant to Section 102 of the Act and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is annexed hereto and forms part of the Notice. The Board of Directors of the Company has considered and decided that Item No. 4 and 5 of the Notice are unavoidable in nature as their non-inclusion would have impacted the composition of the Board of Directors.

Additional information pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) in respect of the Directors seeking appointment/re-appointment at the AGM, such as brief resume detailing age, qualifications, nature of expertise in specific functional areas, directorships and membership of committees held in other companies, shareholding interest in the Company and inter-se relationship amongst directors/key managerial personnel etc. is appended (please refer page no. 9), and should be construed as a part of this Notice.

5. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts and Arrangements in which Directors are interested shall be accessible for the inspection by the Members during the continuance of the AGM.

Documents referred to in the accompanying Notice will be open for inspection by the Members in electronic mode during business hours between 10.00 a.m. and 5.00 p.m. on all working days till the date of the AGM, and also during its continuance. The members seeking to inspect such documents can send an email to [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com) requesting the same. On receiving a valid email request from any member, the Company shall make requisite arrangements for inspection of such documents.

6. Members seeking information or clarification regarding any business placed before the AGM may e-mail their query from their registered e-mail address, mentioning their name, DP-ID and Client-ID/ Folio No. and mobile no. to reach the Company's e-mail address at [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com) at least 72 hours in advance before the start of the said meeting.
7. Members of the Company are advised to nominate a person pursuant to Section 72 of the Act, in whom the shares held by him/them shall vest in the unfortunate event of his/their death. Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. Members holding shares in dematerialized form may file their nomination directly with their respective Depository Participant.
8. Securities and Exchange Board of India ("SEBI") has mandated that effective 1<sup>st</sup> April, 2019, securities of listed companies can be transferred only in dematerialized form, and accordingly, the Company and its RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to dematerialize their securities.
9. The Register of Members and Share Transfer Books of the Company will remain closed from the Saturday, 19<sup>th</sup> December, 2020 to Thursday, 24<sup>th</sup> December, 2020 inclusive of both days.

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10. The Company keeps uploading regularly, on its website as also on the website of the Ministry of Corporate Affairs, Government of India (MCA), complete details of unpaid/unclaimed dividends from time to time. Further, in an endeavor to serve its members, the Company has been notifying the members about the dividends which remain unpaid/unclaimed, by sending them individual reminders from time to time.

Any amount described under Section 125(2) of the Act, including dividend, which remains unpaid/unclaimed for a period of seven years is required to be transferred by the Company in accordance with the provisions of Section 124(5) of the Act, to the Investor Education and Protection Fund Authority (IEPF Authority) established by the Central Government. Further, Section 124(6) of the Act requires that all shares in respect of which dividend has been unpaid/unclaimed for a period of seven consecutive years shall also be transferred to IEPF Authority.

Accordingly, during the year under review, the unpaid/unclaimed dividend for the financial year 2011-12 was transferred to the IEPF Authority. Moreover, 8650 equity shares, held by 178 beneficial owners/shareholders of the Company, in respect of which dividend for the relevant financial year ended 31<sup>st</sup> March, 2012 remained unpaid/unclaimed consecutively for a period of seven years up-to 25<sup>th</sup> October, 2019, were also transferred to IEPF Authority.

Further, the unpaid/unclaimed dividend for the financial year 2012-13 also became liable to be transferred to the IEPF Authority on 30<sup>th</sup> October, 2020, and the Company is in the process of transferring the same to IEPF Authority. Accordingly, based on the unpaid/unclaimed dividend for the year ended 31<sup>st</sup> March, 2013, which remained unpaid/unclaimed consecutively for a period of seven years up to 30<sup>th</sup> October, 2020, the Company has also ascertained that 17742 unclaimed shares are liable to be transferred to the IEPF Authority on or before 29<sup>th</sup> November, 2020.

**Attention of the members is therefore drawn to the fact that unpaid/unclaimed dividend pertaining to the financial year ended 31<sup>st</sup> March, 2014 will be due for transfer to the IEPF Authority, and therefore, any claim in respect thereof should be lodged as advised below failing which shares relating thereto shall be liable to be transferred to the IEPF Authority:**

Unpaid/Unclaimed Amount*	Due date for transfer to IEPF Authority	Date by which claim should be lodged
Dividend for the financial year ended 31 <sup>st</sup> March, 2014	31 <sup>st</sup> October, 2021	20 <sup>th</sup> October, 2021

\*No dividend has been paid by the Company for the FY 2014-15 onwards.

Members are advised to write to the Company or to the Registrar & Transfer Agent requesting for fresh warrants by providing details of their Folio No./Client ID, No. of shares held by them etc. enclosing a signed cancelled cheque, self-attested copy of PAN and proof of address.

**Members may note that the unpaid/unclaimed dividend and unclaimed shares transferred to the IEPF Authority can be claimed by following the process available on the IEPF website and the same can be accessed through the link: <http://www.iepf.gov.in/IEPF/refund.html>**

11. In compliance with the MCA Circulars and to ensure that this Annual Report 2019-20 and notice for the AGM reaches all members, the Company had published a Notice in "Business Standard" newspaper (published in different city editions between 26<sup>th</sup> to 28<sup>th</sup> October, 2020) advising the Members who have not registered/updated their e-mail addresses with the Company to register/update their e-mail addresses in the manner described therein.

**In continued compliance of Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide yet another opportunity to the members to register/update their e-mail addresses by providing the requisite details in the proforma annexed towards the end of the Annual Report.**

- Members holding shares in physical mode are requested to notify change, if any, in their e-mail address, mailing address including pin code, bank details, residential status etc. to the Company or RTA, quoting their folio number, at [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com) or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) respectively.
- Members holding shares in electronic form should notify any change in their e-mail address, mailing address including pin code, bank details, residential status etc. directly to their respective Depository Participants.

The Members may contact the Share Department of the Company at the above-mentioned address, telephone numbers and e-mail id or the RTA at their registered office at Selenium Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032; Toll Free No. 1800-345-4001; or at the e-mail id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for any assistance/clarification.

12. The Securities and Exchange Board of India has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever requisite bank details are available. **Members holding shares in physical form are also requested to register their mandate for transfer of future dividend, as well as unclaimed/unpaid dividends through NECS so that the same may be deposited directly to the members' respective bank accounts. The proforma for registration/up-dation of NECS mandate is annexed towards the end of the Annual Report.** In the absence of NECS facilities, the Company prints the bank account details, if available, on the dividend warrant to avoid any fraudulent encashment of warrants.

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13. a) In compliance with the provisions of Section 108 of the Act read with Rule 20 of The Companies (Management & Administration) Rules, 2014, and Regulation 44 of the Listing Regulations, the Company is pleased to provide to the members the facility to exercise their right to vote by electronic means in respect of the business placed at the AGM through remote e-voting platform provided by KFin Technologies Pvt. Ltd.
- b) The members attending the AGM through VC/OAVM who have not cast their vote through remote e-voting shall be provided the opportunity to vote through e-voting.
- c) The members who have cast their vote prior to the AGM through remote e-voting may also attend the said meeting through VC/OAVM. However, such members shall not be entitled to cast their votes again.
- d) In case of joint holders attending the Meeting, only such joint holder whose name appears first in order of joint holders will be entitled to vote at the AGM.

## 14. General instructions for accessing and participating in the AGM through VC/OAVM:

- a) Members may note that the VC/OAVM facility, provided by RTA allows participation of 1,000 Members on a first-come-first-served basis. However, the large shareholders (i.e. 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. can attend the AGM without any restriction on account of first-come first-served principle.
- b) The window for joining the meeting through VC/OAVM shall open for the Members from 11.15 a.m. IST i.e. 15 minutes before the scheduled time for the commencement of the AGM and shall remain open throughout the proceedings of the AGM.
- c) Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM.
- d) Members may join the AGM through VC/OAVM by using their e-voting login credentials.
- e) Members are requested to follow the procedure as set out below:
  - i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.kfintech.com>
  - ii. Enter the login credentials (i.e. User ID and password for e-voting)
  - iii. After logging in, click on "Video Conference" option
  - iv. Then click on camera icon appearing against AGM event of Asian Hotels (North) Limited to attend the Meeting.
- f) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
- g) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during the e-voting period, from Monday, the 21<sup>st</sup> December, 2020 to Wednesday, the 23<sup>rd</sup> December, 2020. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM. Members are requested to remember the same and wait for their turn to be called by the Chairman of the Meeting during the Question and Answer Session. Due to inherent limitation of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Question and Answer Session. Hence, Members are encouraged to send their questions/queries etc.
- h) Members who need assistance before or during the AGM, can contact KFin Technologies Private Limited on [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or call on toll free numbers 040-6716 2222 / 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
- i) Members are advised to join the AGM using laptops and ensuring internet connectivity with good speed for better sound and video clarity. Those 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 disturbance.

## 15. Instructions for and other information relating to remote e-voting:

- 15.1 Members whose e-mail IDs are registered with the Company/Depository Participants, on receiving an e-mail from KFin Technologies Pvt. Ltd. should:
  - i) Launch internet browser by typing the URL:<https://evoting.kfintech.com> in the address bar and click on "Enter", where-upon the home screen will be displayed and then, click on 'Shareholders' icon.
  - ii) Enter the Log-in Credentials i.e., **User ID and initial password** as detailed in the e-mail forwarding this Notice of AGM and Annual Report. The E-Voting Event Number + your Folio No./DPID-Client ID will be your User ID. However, if you are already registered with KFin Technologies Pvt. Ltd. for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.kfintech.com> or contact toll-free numbers 040-67162222 / 1800-345-4001 (from 9:00 a.m. to 6:00 p.m.) for your existing password.

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- iii) After entering these details appropriately, click on “LOGIN”.
- iv) You will now reach password change Menu wherein you are required to compulsorily change your password if you are logging in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$ etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
- v) You need to log-in again with the new credentials.
- vi) On successful log-in, the system will prompt you to select the E-Voting Event Number “EVENT” i.e. Asian Hotels (North) Limited.
- vii) On the voting page, enter the number of shares as on the cut-off date (which represents the number of votes) in respect of each of the resolutions and cast your vote by selecting “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total votes. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as ABSTAINED.
- x) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi) A confirmation box will then be displayed. Click “OK” to confirm, else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can log-in any number of times till they have voted on the resolutions.
- xii) Institutional/Corporate Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Resolution passed by their Board or Governing Body, together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID [rupesh@cacsindia.com](mailto:rupesh@cacsindia.com) with a copy marked to the Company and RTA at [investorsrelations@ahlnorth.com](mailto:investorsrelations@ahlnorth.com) and [evoting@kfintech.com](mailto:evoting@kfintech.com) respectively. The scanned image of the above-mentioned documents should be in the naming format “Asian Hotels (North) Limited EVENT NO. \_\_\_\_\_”

15.2 In case of a Member whose e-mail address is not registered/updated with the Company/RTA/Depository Participant(s) including those who acquired shares between Saturday, the 28<sup>th</sup> November, 2020 and Friday, the 18<sup>th</sup> December, 2020, may please follow the following steps to generate their login credentials:

- (a) Members holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register /update the same by clicking on <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com) or to RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
- (b) Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register /update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
- (c) After due verification, the Company / RTA will forward your login credentials to your registered email address.
- (d) Follow the instructions given at Note no.15.1 to cast your vote.
- (e) You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending further communication(s).

16. Members of the Company holding shares in physical form or in dematerialized form, as at the close of business hours on the cut-off date, being Friday, the 18<sup>th</sup> December, 2020 shall only be entitled to vote on the proposed resolutions; and their shareholding on such date shall only be reckoned for the purposes of arriving at the results of the remote e-voting and e-voting at the AGM.

The voting rights of the members shall be in proportion to their shares in the paid-up equity share capital of the Company as at the close of business hours on the cut-off date, i.e. Friday, the 18<sup>th</sup> December, 2020.

17. The remote e-voting period commences on Monday, the 21<sup>st</sup> December, 2020 at 9.30 a.m. and ends on Wednesday, the 23<sup>rd</sup> December, 2020 at 5.00 p.m. Thereafter, the remote e-voting module shall be disabled for voting. E-vote once cast, cannot be altered subsequently.

Members, who could not cast their vote through remote e-voting, shall be provided the opportunity to vote electronically during the AGM, should they attend the AGM through VC/OAVM.

**Information and instructions for the electronic voting at the AGM (Insta Poll):** Facility to cast vote through Insta Poll will be made available on the VC/OAVM screen and will be activated once the Insta Poll is announced at the AGM.



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Members who may cast their vote through remote e-voting are also entitled to attend the AGM through VC/OAVM but shall not be permitted to vote at the meeting through e-Voting (Insta Poll). In case of voting by both the modes, votes cast through remote e-voting shall only be considered valid.

18. In case of any query pertaining to remote e-voting, please visit Help & FAQs section of KFin Technologies Pvt. Ltd. website i.e. <https://evoting.kfintech.com> or contact KFin Technologies Pvt. Ltd. at Telephone No.: 1800 345 4001 (toll-free). The members may also contact the following designated officer at KFin's office:

Mr. Raj Kumar Kale  
KFin Technologies Private Limited  
Selenium Building, Tower-B, Plot No- 31 & 32,  
Gachibowli, Financial District, Nanakramguda, Serilingampally,  
Hyderabad, 500 032  
Phone: +91 40 67162222 email: [evoting@kfintech.com](mailto:evoting@kfintech.com)

19. The Board of Directors of the Company, at its meeting held on 12<sup>th</sup> November, 2020, has appointed Dr. S. Chandrasekaran, failing him Mr. Rupesh Agarwal, failing him Mr. Shashikant Tiwari, Partners, M/s. Chandrasekaran Associates, Company Secretaries, as the Scrutinizer for conducting the remote e-voting process as well as the electronic voting at the AGM (Insta Poll) in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first unblock and determine the votes cast at the meeting, and there-after unblock the votes cast through remote e-voting, on both occasions in the presence of at least two (2) witnesses not being in the employment of the Company, and prepare not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman of the Company or in his absence to Dr. Lalit Bhasin, Independent Non-Executive Director and Chairman, Audit Committee and Nomination and Remuneration Committee, as authorized by the Board, whereupon the Chairman/Dr. Bhasin shall declare the result forthwith. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the AGM. Once declared, the result shall be notified to the Stock Exchanges and uploaded on the website of the Company and RTA.

By order of the Board  
of **ASIAN HOTELS (NORTH) LIMITED**



Dinesh Kumar Jain  
Vice-President (Corporate Affairs) &  
Company Secretary  
Membership No.: FCS 6224

Place: New Delhi  
Date: 12<sup>th</sup> November, 2020

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE ACT) AND REGULATION 36 (3) & (5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (THE LISTING REGULATIONS)**

### **ITEM NO. 3 regarding Appointment of Auditors:**

M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, Firm Registration No. 102511W/W100298, the present Auditors of the Company complete their five-year term as Auditor of the Company at the conclusion of this Annual General Meeting. In view of the above, the Board of Directors of the Company, based on the recommendations of the Audit Committee, propose to appoint M/s. V.V. Kale & Company, Chartered Accountants, Firm Registration No. 000897N as Auditors of the Company for a term of five (5) consecutive years from the conclusion of the 39<sup>th</sup> Annual General Meeting till the conclusion of the 44<sup>th</sup> Annual General Meeting.

M/s. V.V. Kale & Company is a well experienced mid-sized Chartered Accountants firm. The Managing Partner, Mr. Vijay V. Kale has over 40 years of experience in handling corporate audits and your Directors consider them competent to handle the Company's audit.

M/s. V.V. Kale & Company have consented to act as the Auditors of the Company, if appointed, and have confirmed that their appointment, if made, shall be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

The fees proposed to be paid to the incoming Auditors is as under:

Particulars	Proposed Fee including GST* Amount in Rs.
Statutory Audit under the Act and Limited Reviews under the Listing Regulations	21,24,000/-
Tax Audit under Income Tax Act, 1961 and filing of Income Tax Return	2,36,000/-
Total	23,60,000/-

\* Out of pocket expenses shall be reimbursable on actual basis; and fee for any additional service other than above shall be mutually decided.

The fee proposed to be paid to the incoming Auditors, i.e. M/s. V.V. Kale & Company is substantially lower as compared to the fee paid/payable to the current Auditors. Their fee for Statutory Audit under the Act and Limited Reviews under the Listing Regulations and Tax Audit Fee was Rs. 33,04,000/- and Rs. 4,72,000/- respectively, taking GST at the rate of 18%. Considering the overall situation of the Hospitality

# ASIAN HOTELS (NORTH) LIMITED

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Industry, the Management has specifically requested the Auditors for the proposed fee structure with an assurance that their fee will be reviewed and revised on resumption of normal business activity of the Company in the coming years.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, either financially or otherwise, in the resolution proposed at Item No. 3 of the accompanying Notice.

Your Directors are of the opinion that M/s. V.V. Kale & Company is a well experienced Chartered Accountants firm, and therefore, recommend to approve the resolution at Item No.3 of the accompanying Notice as an Ordinary Resolution.

## **ITEM NO. 4 regarding Appointment of Mr. Akhilesh Bhuwalka as Director:**

Mr. Akhilesh Bhuwalka, aged 35, is a Bachelor of Management in finance from University of Westminster, United Kingdom and MSc. in finance from Monash University, Melbourne, Australia. He is an entrepreneur having over 9 years of extensive experience in finance, administration & accounting in Manufacturing & Service industries and with the strong ability to make the tangible connection between business and its financial performance for effective decision making. He is proficient in handling finance function entailing strategy, business plans, capital budgeting etc.

Considering the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 18th June, 2020, appointed Mr. Akhilesh Bhuwalka as an additional director under Section 161(1) of the Act, who holds office up to the date of this annual general meeting. Based on the notice received from a shareholder under Section 160 of the Act, and recommendations of the Nomination and Remuneration Committee in its meeting held on 12<sup>th</sup> November, 2020, he is proposed to be appointed as a Non-Executive Director under Section 160(1) of the Act, liable to retire by rotation, and therefore, the Board has included an appropriate resolution for his appointment, as proposed at Item No. 4 of the accompanying Notice.

A detailed profile of Mr. Bhuwalka is appended to this notice, enumerating inter-alia the directorships held by him and the shareholding interest he holds in the Company.

Mr. Bhuwalka has confirmed that he is neither disqualified from being appointed as Director in terms of Section 164 of the Act, nor is he debarred from holding the office of Director in pursuance of any order passed by SEBI or any such statutory authority. Except Mr. Bhuwalka, none of the Director and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, either financially or otherwise, in the resolution proposed at Item No. 4 of the accompanying Notice except to the extent of their respective shareholding in the Company and for holding the office of Director therein.

Your Directors are of the opinion that it will be in the Company's interest to have his association in the Company, and therefore, recommend to approve the resolution at Item No.4 of the accompanying Notice as an Ordinary Resolution.

## **ITEM NO. 5 regarding Appointment of Ms. Preeti Gandhi as Independent Director:**

Ms. Preeti Gandhi, aged 32, is a law graduate from a premier university and has over 10 years of experience in advising corporate and individual clients in various sectors, including pharmaceuticals, print media, real estate, technology, media and telecom. Her expertise vests in counseling the management while balancing legal expertise and business judgment. She offers extensive advisory in general corporate and commercial matters and litigation strategy. She also holds exposure in managing various globally staged events and productions from a right perspective.

In the entertainment segment, she deals with a myriad of transactions in the likes of rights optioning, deal structuring, acquisition and assignment deals, talent management, brand endorsements, synchronization deals, among others.

She also takes a keen interest in mentoring law aspirants, contributes to short term courses in the field of law and holds interactive sessions to simplify legal practices for non-industry professionals.

Considering the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 13th September, 2020, appointed Ms. Preeti Gandhi as an additional director under Section 161(1) read with Section 149(6) of the Act, in the capacity of Independent Non-Executive Director of the Company. Later, based on the notice received from a shareholder under Section 160 of the Act, and recommendations of the Nomination and Remuneration Committee in its meeting held on 12th November, 2020, she is proposed to be appointed as an Independent Non-Executive Director for a period of two consecutive years up to 12th September, 2022. Therefore, the Board has included an appropriate resolution for her appointment, as proposed at Item No. 5 of the accompanying Notice.

A detailed profile of Ms. Gandhi is appended to this notice, enumerating inter-alia the directorships held by her and the shareholding interest she holds in the Company.

The Company has received a declaration from Ms. Gandhi that she meets the criteria of independence as specified under Section 149(6) read with Schedule IV of the Act and Regulations 16(1)(b) & 25(8) of the Listing Regulations and her consent to act as an Independent Director. Ms. Gandhi has also confirmed that she is neither disqualified from being appointed as Director in terms of Section 164 of the Act, nor is she debarred from holding the office of Director in pursuance of any order passed by SEBI or any such statutory authority.

Except Ms. Gandhi, none of the Director and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, either financially or otherwise, in the resolution proposed at Item No. 5 of the accompanying Notice except to the extent of their respective shareholding in the Company and for holding the office of Director therein.

In the opinion of the Board of Directors, Ms. Preeti Gandhi fulfills the conditions as specified in the Act and the Rules made thereunder. Further, in the opinion of the Board of Directors, Ms. Gandhi is independent of the management.

Your Directors are of the opinion that it will be in the Company's interest to have her association in the Company, and therefore, recommend to approve the resolution at Item No. 5 of the accompanying Notice as an Ordinary Resolution.

# ASIAN HOTELS (NORTH) LIMITED

Detailed Profile of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting, forming part of the Notice convening the said meeting and the accompanying Statement under Section 102 of the Companies Act, 2013 (the Act), and further in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which may also be read as part of the Corporate Governance Report

Name of Director & DIN	Expertise in Specific Functional Area	Other Companies in which Directorships/Committee Memberships held
<p>Mr. Amrithesh Jatia DIN: 02781300 (refer Item No. 2 of the accompanying Notice)</p>	<p>Mr. Amrithesh Jatia, aged 34, graduated in Business Management from Babson College, U.S.A., and worked as an Analyst with Ernst &amp; Young LLP, New York. Since returning to India, he has been monitoring execution and progress of various projects initiated by the Jatia Group. Mr. Jatia has about thirteen years' experience. In view of his educational background and experience in the industry, he holds good command over financial and operational functions. He was first appointed to the Board on 11<sup>th</sup> November, 2010, and held office of director as a non-executive director under promoter's category until he vacated office on 2<sup>nd</sup> November, 2016, in terms of section 167(1)(b) of the Act. Thereafter he was again appointed as additional director under the promoters category in the Board Meeting held on 5<sup>th</sup> December, 2016, and as director of the Company, liable to retire by rotation, in 36<sup>th</sup> Annual General Meeting held on 10<sup>th</sup> August, 2017. Further, being liable to retire by rotation he retired and was re-appointed in the 38<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> August, 2019, as director of the Company, liable to retire by rotation.</p> <p>Mr. Jatia is liable to retire by rotation at this annual general meeting and, being eligible, has offered himself to be re-appointed. Accordingly, an appropriate resolution is proposed at Item no. 2 of the notice convening the 39<sup>th</sup> Annual General Meeting.</p> <p>As a Non-Executive Director, Mr. Amrithesh Jatia is entitled to sitting fee for attending the meetings of the Board or Committees thereof.</p> <p>Mr. Amrithesh Jatia does not hold any shares in the Company in his individual capacity. However, being one of the directors, controlling shareholder and Significant Beneficial Owner in respect of shares held by Fineline Holdings Limited (FHL) and Yans Enterprises (H.K.) Limited (Yans), he controls 50.53% equity of the Company. Further, being the son of Mr. Shiv Kumar Jatia, Chairman &amp; Managing Director, he may be considered to have indirect interest in the entire promoters' shareholding of 11279616 equity shares (57.98 % of the total equity including the shares held by FHL and Yans) in the Company.</p> <p>Mr. Jatia attended three Board meetings during the financial year 2019-20.</p>	<p>Leading Hotels Limited Energy Infrastructure (India) Limited Pergo India Private Limited</p> <p>In addition to the above, he holds directorships in many overseas companies.</p> <p>He is member of the Stakeholders' Relationship Committee and Nomination and Remuneration Committee of the Company and the Chairman of the Nomination and Remuneration Committee of Leading Hotels Limited, a subsidiary of the Company.</p> <p>Mr. Amrithesh Jatia does not hold directorship in any other listed company.</p>
<p>Mr. Akhilesh Bhuwalka (DIN-02764273) (refer Item No. 4 of the accompanying Notice)</p>	<p>Mr. Akhilesh Bhuwalka, aged 35, is a Bachelor of Management in finance from University of Westminster, United Kingdom and MSc. in finance from Monash University, Melbourne, Australia. He is an entrepreneur having over 9 years of extensive experience in finance, administration &amp; accounting in Manufacturing &amp; Services industry and with the strong ability to make the tangible connection between business and its financial performance for effective decision making. He is proficient in handling finance function entailing strategy, business plans, capital budgeting etc.</p> <p>Considering the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 18<sup>th</sup> June, 2020, appointed Mr. Akhilesh Bhuwalka as an additional director under Section 161(1) of the Act, who holds office up to the date of this annual general meeting. Based on the notice received from a shareholder under Section 160 of the Act, and recommendations of the Nomination and Remuneration Committee in its meeting held on 12<sup>th</sup> November, 2020, he is proposed to be appointed as a Non-Executive Director under Section 160(1) of the Act, liable to retire by rotation, and therefore, the Board has included an appropriate resolution for his appointment, as proposed at Item No. 4 of the accompanying Notice.</p> <p>As a Non-Executive Director, Mr. Bhuwalka is entitled to remuneration by way of commission on profit in such a manner that the aggregate of commission payable to all non-executive directors does not exceed 1% of the net profit of the Company computed in terms of Section 198 of the Act, with the liberty to the Board to vary the amount or proportion payable to each one of the non-executive directors every year provided that individually none of such directors receives a sum exceeding Rs. 7,50,000/- in respect of any financial year. In addition to the above, he is entitled to sitting fees for the meetings of the Board and the Committees thereof attended by him.</p> <p>Mr. Akhilesh Bhuwalka does not hold any shares in the Company. He is not related to any Director or Key Managerial Personnel of the Company.</p> <p>Mr. Bhuwalka has attended all the Board Meetings since his appointment on 18<sup>th</sup> June, 2020.</p>	<p>Accordion Properties Private Limited Delaware Properties Pvt. Ltd Prithvi Tea Co. Pvt. Ltd.</p> <p>Mr. Bhuwalka is a member of Stakeholders' Relationship Committee of the Company.</p> <p>Mr. Bhuwalka does not hold directorship in any other listed company.</p>

# ASIAN HOTELS (NORTH) LIMITED

Name of Director & DIN	Expertise in Specific Functional Area	Other Companies in which Directorships/Committee Memberships held
<p>Ms. Preeti Gandhi (DIN-08552404) (refer Item No. 5 of the accompanying notice)</p>	<p>Ms. Preeti Gandhi, aged 32, is a law graduate from a premier university and has over 10 years of experience in advising corporate and individual clients in various sectors, including pharmaceuticals, print media, real estate, technology, media and telecom. Her expertise vests in counseling the management while balancing legal expertise and business judgment. She offers extensive advisory in general corporate and commercial matters and litigation strategy. She also holds exposure in managing various globally staged events and productions from a right perspective.</p> <p>In the entertainment segment, she deals with a myriad of transactions in the likes of rights optioning, deal structuring, acquisition and assignment deals, talent management, brand endorsements, synchronization deals, among others.</p> <p>She also takes a keen interest in mentoring law aspirants, contributes to short term courses in the field of law and holds interactive sessions to simplify legal practices for non-industry professionals.</p> <p>Considering the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 13th September, 2020, appointed Ms. Preeti Gandhi as an additional director under Section 161(1) read with Section 149(6) of the Act, in the capacity of Independent Non-Executive Director of the Company. Later, based on the notice received from a shareholder under Section 160 of the Act, and recommendations of the Nomination and Remuneration Committee in its meeting held on 12th November, 2020, she is proposed to be appointed as an Independent Non-Executive Director for a period of two consecutive years up to 12th September, 2022. Therefore, the Board has included an appropriate resolution for her appointment, as proposed at Item No. 5 of the accompanying Notice.</p> <p>Being an Independent Non-Executive Director, she is entitled to remuneration by way of commission on profit in such a manner that the aggregate of commission payable to all non-executive directors does not exceed 1% of the net profit of the Company computed in terms of Section 198 of the Act, with the liberty to the Board to vary the amount or proportion payable to each one of the non-executive directors every year provided that individually none of such directors receives a sum exceeding Rs. 7,50,000/- in respect of any financial year. In addition to the above, she is entitled to sitting fees for the meetings of the Board and the Committees thereof attended by her.</p> <p>Ms. Gandhi does not hold any shares in the Company. She is not related to any Director or Key Managerial Personnel of the Company.</p> <p>Ms. Gandhi has attended all the Board Meetings since her appointment on 13<sup>th</sup> September, 2020.</p> <p>Considering her experience in legal matters, the Board considered it justified to appoint her as an Independent Director.</p> <p>In the considered opinion of the Board, Ms. Gandhi fulfills the conditions as specified in the Act for an Independent Director.</p>	<p>Ms. Preeti Gandhi does not hold directorship in any other company.</p> <p>She is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company.</p>

By order of the Board  
of **ASIAN HOTELS (NORTH) LIMITED**



Dinesh Kumar Jain  
Vice-President (Corporate Affairs) &  
Company Secretary  
Membership No.: FCS 6224

Place: New Delhi  
Date: 12<sup>th</sup> November, 2020

# ASIAN HOTELS (NORTH) LIMITED

## DIRECTORS' REPORT

### To the Members,

Your Directors are pleased to submit their Thirty Ninth (39<sup>th</sup>) Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020.

## FINANCIAL RESULTS & THE STATE OF COMPANY'S AFFAIRS

(on stand-alone basis)

(Rupees in Crore)

Particulars	FY 2019-20	FY 2018-19
Revenue from Operations (Net)	252.39	273.52
Other Income	14.56	8.16
Total Income	266.95	281.68
Profit/(Loss) before exceptional items and tax	(73.95)	(42.08)
Exceptional Items	0	0
Profit/(Loss) before Tax	(73.95)	(42.08)
Provision for Tax (net of write backs) including Deferred Tax Assets (Net)	10.82	9.30
Net Profit/(Loss)	(63.13)	(32.78)
Earning per share - Basic & Diluted (Rs.)	(32.45)	(16.85)

Total revenue from operations for the financial year 2019-20 was lower at Rs. 252.39 crore as compared to Rs. 273.52 crore in the prior year, showing a decrease of 7.73% over the prior year.

Combined revenue from Food & Beverage including Wines & Liquor registered a significant decrease of 9.72% during the year under review, as compared to the prior year.

Despite maintaining similar occupancy levels as compared to the previous year, the room revenue declined by 7.13% primarily due to lower average room rate.

The above decline in revenue from operations during the year under review is primarily due to the COVID-19 outbreak.

### Transfer to Reserves/Dividend

In view of the loss suffered by the Company, your Directors are constrained not to recommend any dividend for the year under review.

Further, no amount was transferred to the General Reserve for the year under review.

### Material changes and commitments affecting the financial position of the Company

The COVID-19 outbreak worldwide and subsequent nationwide lockdown coupled with domestic as well as international travel restrictions announced by the Central/State Governments, have adversely impacted the business operations in the major part of March 2020 (and still continuing) in terms of room occupancy as well as food, beverages and other income of Hotel "Hyatt Regency Delhi" owned by the Company. The Company has undertaken necessary cost saving measures besides exploring initiatives to uplift revenue such as home delivery of food.

The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, investments, trade receivables, inventories and other current assets appearing in the financial statements of the Company. Based on the current indicators of future economic conditions, the Company expects to recover the carrying value of these assets. The impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates.

The Company will continue to monitor the material changes in future economic conditions and would recognize any significant impact of these changes affecting the Company, in the financial statements, as and when these conditions arise.

Save as otherwise stated above with regard to the adverse impact caused by the COVID-19 pandemic, your Directors would like to inform that no material changes and commitments have occurred between the end of the financial year under review and the date of this report that may adversely affect the financial position of the Company.

### Shopping Arcade

In a significant decision, your Directors in their meeting held on 23<sup>rd</sup> May, 2020 decided to revoke all existing license agreements in respect of the shops in Hotel Hyatt Regency's shopping arcade. It was felt for a long time that the shopping arcade was operating in a very precarious condition as the licensees had added lots of electric wires which had become a major fire risk endangering the lives of people and loss of property. Your Directors took this decision also to ensure better commercial utilization and operational efficiency, and safety of the area forming the shopping arcade within the premises of Hotel Hyatt Regency Delhi.

# ASIAN HOTELS (NORTH) LIMITED

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In pursuance of the aforesaid decision, revocation notices were issued to all the licensees, and as expected, the licensees moved the Delhi High Court and the matter is sub-judice.

## **Restructuring Plan**

As mentioned above, in the wake of the prevailing Covid-19 situation, performance of the Company has been impacted substantially, which has resulted in cash flow constraints.

Based on the recommendations of the Audit Committee of the Company, your Directors in their meeting held on 12<sup>th</sup> November, 2020 considered and approved a restructuring plan for submission to its Bankers under Covid-19 related stress circular of Reserve Bank of India, dated 6th August, 2020, which envisages one-time restructuring entailing to reduction in cost of financing, extension in repayment schedule by two years and funding of interest by the Bankers – in toto for FY 2020-21 and partially for FY 2021-22.

Once approved by the Bankers, the restructuring plan should take care of the temporary mismatch of cash-flow, enabling the management to primarily focus on the revival of Company's business impacted due to Covid-19 pandemic.

The restructuring plan also envisages infusion of equity by further issue of 64,84,400 equity shares resulting into dilution of Promoters' holding from the existing stake of 57.98% to 43.49% in FY 2020-21. The promoter directors reassure the members that they will continue to be in full control of the management of the Company.

In addition to the above, the Company has also proposed for extension in scheduled commercial operation date (SCOD)/restructuring for its subsidiary, Leading Hotels Ltd. from its Banker as the project is on hold due to ongoing litigation and the project implementation has been delayed due to circumstances beyond the control of the Company and its management.

## **Significant and Material Orders passed by the Regulators or Courts or Tribunals**

During the year under review or between the end of that financial year and the date this report, no significant or material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status and future operations of the Company.

## **Consolidated Financial Statements and Auditors' Report thereon**

In accordance with the provisions of Section 129 of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), your Directors have presented the stand-alone financial statements of the Company and consolidated financial statements, comprising financials of the Company and its subsidiaries for the financial year 2019-20, as part of this Annual Report.

In accordance with the provisions of Section 136 of the Act, individual balance sheet, statement of profit & loss, cash flow statement, statement of changes in equity and notes to accounts together with the report of Board of Directors and report of Auditors of each of the subsidiaries are open for inspection by the Members at the registered office of the Company, copies of which may be furnished, if desired by any Member. Further, these documents are also uploaded on the website of the Company.

Auditors' Report on the Consolidated Financial Statements for the year under review is with modified opinion.

The Statutory Auditors, M/s. Dhirubhai Shah & Co LLP in their report dated 12<sup>th</sup> August, 2020, on the Consolidated Financial Statements had expressed modified opinion on the said financial statements stating that a subsidiary namely Leading Hotels Limited has not provided interest liability amounting to Rs. 17,67,04,283/- (which includes interest payable for earlier year amounting to Rs. 6,58,84,357/-) relating to Inter-Corporate Deposits and other financial commitments, and that the non-provisioning of interest has resulted in understatement of Capital Work-in-Progress to that extent.

In response to the above qualification, your Directors clarify that in view of the current financial crunch being faced by the said subsidiary, provisions for interest liability for the said amount was not made by it and that the said non-provisioning has had no impact on the profit/(loss) of the said subsidiary or the consolidated profit/(loss) of the Company, since this would have otherwise formed part of the Capital work-in-progress in the respective financial statements.

The Auditors had also expressed a material uncertainty regarding the going concern status of the above named subsidiary, which in their outlook is largely dependent on the outcome of the ongoing litigation and that subsidiary's ability to raise fund for its project.

Your Directors would like to assure the Members that they are confident of favorable outcome of the ongoing litigation. Further, your Directors are of the view that the project is unique and has a great potential going forward, and the subsidiary is in the process of mobilizing the required funds to enable it to execute the project.

Therefore, the financial statements of the aforesaid subsidiary and resultant consolidated financial statements have been prepared on the basis that the said subsidiary continues as a going concern, and no adjustments have been made to the classifications of the assets and liabilities and their carrying values in its books of account.

No frauds have been reported under Section 143(12) of the Act by the Auditors of the Company.

## **Foreign Exchange Receipts**

The Company's earnings in foreign exchange for the year under review amounted to Rs. 90.30 crore as compared to Rs. 131.45 crore during the prior year.

# ASIAN HOTELS (NORTH) LIMITED

## CAPITAL STRUCTURE

There is no change in the Company's capital structure since the last report.

During the year under review, the Company has neither issued equity shares with differential rights as to dividend, voting or otherwise, nor has it issued shares to its employees under any scheme (including sweat equity shares). The Company does not have any outstanding warrants/depository receipts/other convertible securities as on 31<sup>st</sup> March, 2020 or the date of this report.

### Un-claimed Shares

In terms of Para F of Schedule V to the Listing Regulations, the details of Un-claimed Shares are as under:

Particulars	No. of folios wherein shares are marked as un-claimed	No. of shares marked as un-claimed
Status of un-claimed shares at the beginning of the year i.e. 1 <sup>st</sup> April, 2019	1	1400
Add: No. of claims received during the year	0	0
Less: No. of claims settled during the year	0	0
<b>Balance un-claimed shares as at 31.03.2020</b>	<b>1</b>	<b>1400</b>

The aforesaid un-claimed shares are held in a separate demat account entitled "Asian Hotels (North) Limited – Un-claimed Suspense Account" maintained with Karvy Stock Broking Limited. The voting rights on these shares shall remain frozen till the shares are claimed by and released to the rightful owner(s).

During the year under review, 8650 equity shares, held by 178 beneficial owners/shareholders of the Company, in respect of which dividend for the relevant financial year ended 31<sup>st</sup> March, 2012, remained unpaid/unclaimed consecutively for a period of seven years up-to 25<sup>th</sup> October, 2019, were transferred to IEPF Authority in accordance with Section 124(6) of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended or re-stated from time to time.

Further, the unpaid/unclaimed dividend for the financial year 2012-13 also became liable to be transferred to the IEPF Authority on 30<sup>th</sup> October, 2020, and the Company is in the process of transferring the same to IEPF Authority. Accordingly, based on the unpaid/unclaimed dividend for the year ended 31<sup>st</sup> March, 2013, which remained unpaid/unclaimed consecutively for a period of seven years up to 30<sup>th</sup> October, 2020, the Company has also ascertained that 17742 shares are unclaimed, and therefore are liable to be transferred to the IEPF Authority on or before 29<sup>th</sup> November, 2020.

## PROMOTERS

The Company is controlled by the Jatia Group, comprising inter-alia, Mr. Shiv Kumar Jatia, Mr. Amrutesh Jatia and in turn the companies controlled by them namely Finline Holdings Ltd., Mauritius, Yans Enterprises (H.K.) Ltd., Mauritius and Asian Holdings Pvt. Ltd. Such persons directly or indirectly own and control various operating companies of the Jatia Group viz. Asian Hotels (North) Limited and Leading Hotels Limited. All the said constituents singularly and collectively, including the operating companies comprise the Jatia Group. Some of the said constituents exercise control over the Company as directors and/or shareholders.

During the year under review, changes occurred in shareholding of the promoters and promoter group due to invocation of pledge of shares. Consequently shareholding of the promoters and promoter group came down to 59.29% of the total paid-up capital as on 31<sup>st</sup> March, 2020.

Presently, the promoters and promoter group stake stands at 57.98% of the total paid-up capital.

## SUBSIDIARIES

Your Company holds 100% equity as well as preference capital in Finline Hospitality and Consultancy Pte. Ltd., Mauritius (FHCPL). FHCPL holds 80% equity stake in Lexon Hotel Ventures Ltd., Mauritius (Lexon), and Lexon in turn holds 99.76% equity stake in Leading Hotels Limited (Leading), an Indian subsidiary.

Thus, FHCPL has 79.81% economic interest in Leading.

Based on the financial statements for the year ended 31<sup>st</sup> March, 2020, of the above named subsidiaries and the consolidated financial statements of the Company for the year ended as on that date, each one of FHCPL, Lexon and Leading are material subsidiaries of the Company.

Leading is developing an all villa hotel complex and a PGA standard 18 hole, 72 par championship golf course in Goa for which it has acquired substantial parcels of land. The said project will be under the management of Four Seasons, a world famed hotel chain and Hospitality Management Company.

Leading has already obtained permissions/approvals from various government authorities.

Your Directors would like to apprise the Members that Leading's project in Goa is facing litigation on two major counts i.e. one relating to Environmental issues and secondly on Tenancy issues.

In a Petition filed before the High Court of Bombay at Goa, the Order passed by the Deputy Collector declaring the disputed land free from tenancy was challenged. However, the Hon'ble Court while determining whether the Deputy Collector's decision has to be intervened with, passed certain restrictions and injunctions restraining the parties concerned not to act any further on the impugned order until further orders of the Hon'ble Court. Leading is taking appropriate legal recourse, and is confident of its positive outcome.

# ASIAN HOTELS (NORTH) LIMITED

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Petitions filed before the National Green Tribunal (NGT) against grant of Coastal Regulation Zone and Private Forest clearance by the competent authorities for the aforesaid project at Goa are being contested by Leading. However, NGT has taken a view that since the Hon'ble High Court is seized of the tenancy matters, let these tenancy matters be settled and then based on the outcome of the tenancy matters, NGT will take up these petitions.

Based on legal advice received and outcome of similar cases in the past, your Directors are hopeful of a favorable outcome and do not foresee these petitions having any material impact on the progress of the project.

During the year under review, no company became a subsidiary or joint venture or associate of the Company. Similarly, no company ceased to be a subsidiary or joint venture or associate during the year under review.

## **Performance and financial position of the subsidiaries**

For performance and financial position of individual subsidiaries, the members may refer to the Statement containing salient features of the financial statements of Company's subsidiaries in Form AOC-1 pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2015, annexed to the financial statements.

## **STATUTORY AUDITORS & THEIR REPORT ON STAND-ALONE FINANCIAL STATEMENTS**

M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad (Firm Registration No.- 102511W), now known as M/s. Dhirubhai Shah & Co LLP, Firm Registration No. 102511W/W100298, were appointed as the statutory auditors of the Company in the 34<sup>th</sup> Annual General Meeting to hold office from the conclusion of that meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company. Accordingly, they complete their term at the ensuing Annual General Meeting.

Statutory Auditors' Report on the Stand-alone Financial Statements for the year under review is with un-modified opinion.

No frauds have been reported under Section 143(12) of the Act by the Auditors of the Company.

Your Directors propose that M/s. V.V. Kale & Company, Chartered Accountants (Firm Registration Number : 000897N), who have confirmed their eligibility for being appointed as the Auditors of the Company, may be so appointed to hold office for a term of five years, taking effect from the conclusion of the 39<sup>th</sup> Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting of the Company. An appropriate resolution is placed at Item No. 3 of the accompanying Notice for the ensuing Annual General Meeting, and the additional information pursuant to Regulation 36 (5) of the Listing Regulations is given in the explanatory statement pursuant to Section 102 of the Act annexed to the said Notice.

Your Directors recommend approving the resolution at Item No.3 of the accompanying Notice as an Ordinary Resolution.

## **Internal Financial Controls over Financial Reporting**

The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

In the opinion of the Statutory Auditors of the Company, as expressed by them in their report, the Company has adequate internal financial control systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020.

## **INTERNAL AUDITORS**

During the year under review, M/s. S. S. Kothari Mehta & Co., Chartered Accountants (FRN: 000756N), New Delhi, the internal auditors of the Company conducted periodic audits of the Company. The Audit Committee reviews the detailed Internal Audit reports submitted by the Internal Auditors and takes stock of the actions taken on the observations of and recommendations made by them.

Your Directors are confident that there are adequate internal control systems and procedures which are being followed and complied with.

The Company has re-appointed M/s. S. S. Kothari Mehta & Co., Chartered Accountants (FRN: 000756N), as Internal Auditors for the financial year 2020-21.

## **SECRETARIAL AUDITORS & THEIR REPORT**

M/s. Chandrasekaran Associates, Company Secretaries, the Secretarial Auditors of the Company, have submitted their report for the financial year ended 31<sup>st</sup> March, 2020 which is annexed as **Annexure 'A'** and forms part of this Report.

Secretarial Auditors' Report for the year under review is with modified opinion.

The Secretarial Auditors in their report dated 6<sup>th</sup> August, 2020, had expressed modified opinion in respect of Regulation 24(1) of the Listing Regulations as the Company has not appointed any one of its Independent Directors in each of its overseas material subsidiaries, i.e. FHCPL and Lexon on their respective Board. Pursuant to the above opinion, your Directors in their meeting held on 12<sup>th</sup> November, 2020, nominated Ms. Preeti Gandhi, Independent Non-Executive Director, for appointment on the respective Board of the abovenamed subsidiaries. The respective subsidiaries are being advised to take appropriate action in this regard.

In compliance with Section 204 of the Act, the Company has re-appointed M/s. Chandrasekaran Associates, Company Secretaries, as Secretarial Auditors for the financial year 2020-21.



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## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Amritesh Jatia (DIN: 02781300) retires by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment. Accordingly, an appropriate resolution is proposed at Item No. 2 of the Notice convening the ensuing annual general meeting.

The above proposal has been duly approved and consented to by the Nomination and Remuneration Committee and the Board of Directors of the Company.

Your Directors recommend approving the resolution at Item No. 2 of the accompanying Notice as Ordinary Resolution.

Subsequent to end of the year under review, Mr. Dipendra Bharat Goenka (DIN: 01969285) resigned from the office of Director with effect from 30<sup>th</sup> April, 2020. Further, Ms. Anita Thapar (DIN: 02171074), Executive Director- Administration and Corporate Co-ordination of the Company, resigned from the said office effective 1<sup>st</sup> August, 2020.

Considering the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 18<sup>th</sup> June, 2020, appointed Mr. Akhilesh Bhuwarka as an additional director under Section 161(1) of the Act, who holds office up to the date of the ensuing annual general meeting. Based on the notice received from a shareholder under Section 160 of the Act, and recommendations of the Nomination and Remuneration Committee in its meeting held on 12<sup>th</sup> November, 2020, the Board proposes to appoint him as a Non-Executive Director under Section 160(1) of the Act, liable to retire by rotation, and therefore, has included an appropriate resolution for his appointment, as proposed at Item No. 4 of the accompanying Notice for the ensuing annual general meeting.

Your Directors recommend approving the resolution at Item No. 4 of the accompanying Notice as Ordinary Resolution.

In the opinion of the Board, all the Independent Non-Executive Directors as on 31<sup>st</sup> March, 2020, namely Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari, Mr. Pinaki Misra and Mr. Ranjan Kishore Bhattacharya fulfilled the conditions specified in the Listing Regulations and the Act and were independent of the Management during the year under review and continue to be independent during their tenure subsequent to the year under review.

Mr. Pinaki Misra, Independent Non-Executive Director (DIN: 00568348), resigned before the expiry of his tenure effective 3<sup>rd</sup> September, 2020 due to his professional preoccupations and confirmed that there was no other material reason whatsoever for his resignation.

Later, Mr. Ranjan Kishore Bhattacharya, Independent Non-Executive Director (DIN: 00331394) also resigned before the expiry of his tenure effective 7<sup>th</sup> September, 2020 due to unavoidable personal circumstances and confirmed that there was no other material reason whatsoever for his resignation.

Considering the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 13<sup>th</sup> September, 2020, appointed Ms. Preeti Gandhi as an additional director under Section 161(1) read with Section 149(6) of the Act, in the capacity of Independent Non-Executive Director of the Company for a period of two consecutive years up to 12<sup>th</sup> September, 2022.

Based on the notice received from a shareholder under Section 160 of the Act, and recommendations of the Nomination and Remuneration Committee held on 12<sup>th</sup> November, 2020, the Board proposes to appoint her as an Independent Non-Executive Director subject to approval of shareholders at the ensuing annual general meeting in pursuance of Sections 149, 152 and other applicable provisions of the Act. Though she has enrolled with the Institute of Corporate Affairs but has yet to appear for/qualify the online proficiency self-assessment test, the Board is of the opinion that Ms. Preeti Gandhi fulfills the conditions specified in the Listing Regulations and the Act and is independent of the Management and that she possesses integrity, expertise and experience required for discharging the responsibilities of Independent Director, and therefore, has included an appropriate resolution for her appointment, as proposed at Item No. 5 of the accompanying Notice for the ensuing annual general meeting.

Your Directors recommend approving the resolution at Item No. 5 of the accompanying Notice as Ordinary Resolution.

The Directors of the Company have affirmed that they are not debarred from holding the office of Director by virtue of any order of SEBI or other such statutory authority.

Neither the Managing Director nor the whole-time director of the Company receives any remuneration or commission from any of the Company's subsidiaries, except sitting fee to the then whole-time director.

Mr. Prakash Chandra Sharma, Vice President – Corporate Finance and Chief Financial Officer of the Company resigned from the services of the Company on 30<sup>th</sup> June, 2020, and vacated the said office effective 12<sup>th</sup> September, 2020.

Based on the recommendations of the Nomination and Remuneration Committee and the Audit Committee, Mr. Dinesh Bhalotia, designated as Director – Finance & Strategy, was appointed as the Chief Financial Officer of the Company with effect from 13<sup>th</sup> September, 2020.

Based on the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 13<sup>th</sup> September, 2020 extended the tenure of Mr. Dinesh Kumar Jain, Vice-President (Corporate Affairs) & Company Secretary by one year effective 1<sup>st</sup> October, 2020.

## DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(5) OF THE COMPANIES ACT, 2013

Pursuant to Section 134(5) of the Act, your Directors confirm as under:

- that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

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- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the loss of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis;
- that the Directors have laid down internal financial controls that are being followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Significant accounting policies followed by the Company, and the required disclosures are detailed in the Notes to the Financial Statements. Further, applicable Ind AS and related presentation and disclosure norms have been complied with.

## **INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The information required in terms of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo, to the extent possible in the opinion of your Directors, and forming part of this Report, is given in **Annexure 'B'**.

## **PARTICULARS OF EMPLOYEES & DISCLOSURES UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The information pursuant to Section 197(12) of the Act, read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of directors, key managerial personnel and employees of the Company is given in **Annexure 'C'** and **Annexure 'D'** respectively, and forms part of this Report.

## **CORPORATE GOVERNANCE**

Save as otherwise stated above, the Company has complied with the requirements of corporate governance as stipulated in the Listing Regulations.

Pursuant to the provisions of the Listing Regulations, the Corporate Governance Report, together with the Auditors' Certificate thereon, is annexed hereto as **Annexure 'E'** and **Annexure 'F'** respectively.

## **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, during the year under review, the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company comprised of four members viz. Mr. Shiv Kumar Jatia, Managing Director who chaired the Committee meetings, and Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Pinaki Misra, Independent Non-Executive Directors. Subsequent to the resignation of Mr. Pinaki Misra, the Committee was reconstituted by coopting Ms. Preeti Gandhi as its member.

In compliance with the provisions of Section 135 of the Act read with the Rules framed there-under and Schedule VII thereto, the CSR Policy of the Company has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelnorth.com/pdf/CorporateSocialResponsibilityPolicyeffective01042019.pdf>

Salient features of the said policy are as under:

- Defines roles and responsibilities of the CSR Committee;
- All designated CSR activities under the policy are permitted activities under Schedule VII to the Act; and
- The policy lays down a detailed execution, monitoring and reporting mechanism.

Further, the Annual Report on CSR activities in pursuance of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, describing inter-alia the initiatives taken by the Company in implementation of its CSR Policy is enclosed as **Annexure 'G'**, and forms part of this Report.

## **RISK MANAGEMENT**

Your Directors are conscious of the need to periodically undertake the risk assessment, and minimization procedures there-for. During the year under review, the Board in its meeting held on 28th May, 2019, had approved and adopted a 'Risk Analysis Report as of 31<sup>st</sup> March, 2019'. The said report outlined the mitigating factors in respect of various risk factors identified therein. This enabled the Board to assess that the Company had adequate 'Risk Assessment and Minimization Procedures' in place, and that these were working effectively.

Your Directors had desired to appoint an outside agency to undertake Evaluation of Risk Assessment and Management Systems of the Company as of 31st March, 2020. However, due to the ongoing uncertainties caused by the COVID-19 pandemic, the Company has been advised to wait for an appropriate time to make an assessment on the subject.

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Your Directors are of the view that due to unprecedented prevailing circumstances, it will be appropriate to wait for normalcy before a judicious assessment on the subject could be made.

Further, based on the market capitalization of the Company, the provisions relating to the formation of a Risk Management Committee are not applicable to the Company.

## MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, four Board meetings were held, details of which are given in the Corporate Governance Report annexed to this Report as **Annexure 'E'**.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Board of Directors of the Company had approved and adopted a 'Whistle Blower Policy' which is uploaded on the website of the Company and can be accessed at

<http://www.asianhotelsnorth.com/pdf/WhistleBlowerPolicyeffective01042019.pdf>

The 'Whistle Blower Policy' provides that all employees and directors of the Company are eligible to make protected disclosures to the competent authority i.e. the Chairman of the Audit Committee with respect to any improper activity concerning the Company. The policy provides for direct access to the Chairman of the Audit Committee. During the year under review, neither any case was reported under the Whistle Blower Policy nor was anyone denied access to the said competent authority or the Audit Committee.

## ANNUAL RETURN

In terms of Section 92(3) of the Act read Section 134(3)(a) thereof, draft Annual Return of the Company for the year ended 31<sup>st</sup> March, 2020, in the prescribed Form MGT-7 along with draft Certificate there-for issued by M/s. Mahesh Gupta & Co., in Form MGT-8, has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/annual-returns.html>

As soon as the aforesaid Annual Return is filed with the Ministry of Corporate Affairs post annual general meeting, the final Form MGT-7 and Form MGT-8 would be uploaded on the Company's website at the above mentioned link.

## BOARD EVALUATION

The Board followed the following mechanism for evaluating the performance of the Board, its Committees and individual directors including the Chairman of the Company:

- a. the Independent Directors through their exclusive meeting evaluate the performance of Non- Independent directors, the Chairman and the Board as a whole;
- b. the Nomination and Remuneration Committee considers the views of the Independent Directors through their exclusive meeting regarding the performance of Non-Independent Directors and based there-upon makes its recommendations to the Board about their performance;
- c. the Nomination and Remuneration Committee evaluates the performance of Independent Directors and makes its recommendations to the Board about their performance; and
- d. the Board finally evaluates the performance of all individual directors, the Chairman, the Board as a whole and Committees thereof. While evaluating the performance of the Board, it considers the views of the Independent Directors through their exclusive meeting.

The Board of Directors of the Company has in place an evaluation criteria for assessment of its own performance, that of the committees of the Board and the individual directors. Leadership abilities, understanding the business dynamics, strategic planning for sustainable growth and protection of minority shareholders' interest, are the essential criteria of the performance evaluation of the directors .

The Board in its meeting held on 12<sup>th</sup> August, 2020, has discussed its overall performance on the parameters as laid down in the Nomination, Remuneration and Evaluation Policy and concluded that the Board and its Committees have been performing satisfactorily. Further, based on the aforesaid policy, and the feedback received from fellow directors, the Board also evaluated the performance of the individual directors (including the Chairman) and found it satisfactory.

There was no action required to be taken during the year under review based on the previous year's observations on the Board Evaluation. Further, no action is proposed to be taken based on the observations on the Board Evaluation for the year under review.

The details of the evaluation criteria are enumerated in the Nomination, Remuneration and Evaluation Policy which can be accessed at <http://www.asianhotelsnorth.com/pdf/NominationRemunerationandEvaluationPolicyeffective01042019.pdf>

## DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, all independent non-executive directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 and 150 and rules framed thereunder and other applicable provisions of the Act read with relevant regulations of the Listing Regulations. Independent non-executive directors have also submitted declarations for the financial year 2020-21 confirming that they continue to meet the criteria of independence as laid down under aforesaid provisions.

Further, they have confirmed that they have obtained registration with the Indian Institute of Corporate Affairs as an Independent Director and such registration continues to be valid; and that they shall ensure renewal of such registration within a period of thirty days from the date of its expiry, as applicable; and that they shall pass the Online Proficiency Self-Assessment Test conducted by the abovenamed institute

# ASIAN HOTELS (NORTH) LIMITED

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within a period of one year from the date of inclusion of their respective names in the databank, if applicable, in pursuance of Section 150 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

Further, in terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Reliance was placed on these confirmations/declarations while ascertaining the adequacy of number of independent directors for the purposes of compliance with Regulation 17 and other applicable regulations of the Listing Regulations.

In the opinion of the Board, the independent non-executive directors fulfill the conditions specified under Section 149 of the Act and the Listing Regulations, as amended, and that they are independent of the management. The Board also recommends their continued association with the Company as independent directors.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts, arrangements or transactions entered in to by the Company during the financial year 2019-20, were in the ordinary course of business and were at an arm's length basis. Relevant Related Party Disclosures under the provisions of the Act and the Listing Regulations, as applicable, are provided in the Note no. 41 to the stand-alone financial statements.

For all foreseeable repetitive related party transactions, prior omnibus approval of the Audit Committee is obtained as per applicable laws, on yearly basis, considering that such approval is in the interest of the Company.

During the year under review, the Company had not entered into any contract, arrangement or transaction with related parties which could be considered material in accordance with the Company's policy on materiality of related party transactions read with the provisions of the Listing Regulations. Accordingly, there are no transactions which are required to be reported in Form AOC-2 in pursuance of Section 188(1) of the Act.

The Policy on the related party transactions is available on the Company's website at [http://www.asianhotelsnorth.com/pdf/Policy\\_for\\_Related\\_Party\\_Transactions\\_effective%2001042019.pdf](http://www.asianhotelsnorth.com/pdf/Policy_for_Related_Party_Transactions_effective%2001042019.pdf)

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, as applicable, are provided in the Note nos. 5, 18 and 21 to the stand-alone financial statements.

## **NOMINATION, REMUNERATION AND EVALUATION POLICY**

The role, responsibilities, powers and terms of reference of the Nomination and Remuneration Committee were in conformity with Section 178 of the Act and Rules made there-under, and Regulation 19 of the Listing Regulations and relevant Schedule thereto, as amended or re-stated from time to time, during the year under review. Moreover, the Board of Directors has ensured that the said policy enumerates the criteria laid down for nomination/selection, appointment, evaluation and remuneration of the directors and key managerial personnel; and determines qualifications, positive attributes and independence of directors and/or key managerial personnel, and is uploaded on the website of the Company at <http://www.asianhotelsnorth.com/pdf/NominationRemunerationandEvaluationPolicyeffective01042019.pdf>

The salient features of the said policy are as under:

- a) Role of the Nomination and Remuneration Committee
  - Ensure diversity of Board;
  - Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board their appointment;
  - Identify persons who are qualified to become directors and/or senior management personnel and recommend to the Board their appointment;
  - Recommend to the Board a remuneration policy for the directors, key managerial/senior management personnel; and
  - Specify the manner for effective evaluation of performance of the Board, its committees and each category of directors
- b) Appointment of Directors/KMPs/SMPs as per criteria set-out in the Nomination, Remuneration and Evaluation Policy
- c) Guiding principles for quantum and composition of remuneration, remuneration structure for whole-time directors and non-executive directors
- d) Criteria for evaluation of performance of whole-time directors, non-executive directors and independent non-executive directors

## **AUDIT COMMITTEE**

During the year under review, the Audit Committee comprised of four members namely Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Ranjan Kishore Bhattacharya, Independent Non-executive Directors, and Mr. Shiv Kumar Jatia, Managing Director. Subsequent to the resignation of Mr. Ranjan Kishore Bhattacharya, the said Committee was reconstituted by coopting Ms. Preeti Gandhi as its member.

The terms of reference of the Audit Committee and information on the Committee meetings held during the year under review, are detailed in the Corporate Governance Report annexed as **Annexure 'E'** and forms part of this Report.

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Further, your Directors would like to inform that all the recommendations made by the Audit Committee during the year under review were duly accepted by the Board.

## **CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there has been no change in the nature of business of the Company.

## **DEPOSITS**

During the year under review, the Company has not invited or accepted deposits covered under Chapter V of the Act.

## **LISTING ON STOCK EXCHANGES**

The equity shares of the Company are listed on The National Stock Exchange of India Limited and BSE Limited. Further, your Directors would like to inform that the Company has paid up to date Annual Listing Fees to the respective Stock Exchanges.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Para B of Schedule V to the Listing Regulations, the Management Discussion and Analysis Report is given below:

### **Industry Structure & Developments and Opportunities & Outlook**

The Indian economy has been badly hit by COVID-19 in the calendar year 2020. It is expected that the economy will contract by more than 10% during the financial year 2020-21. However, it is estimated that it will grow by around 9% during the financial year 2021-22.

The deepening penetration of internet usage and smart phones in India has led to increased booking of hotels through online portals and applications in recent times. However, post COVID-19 pandemic, travelers will be more conscious with regard to safety and wellness, hence they will be looking for branded/star/upper scale/upgraded hotels. Based on some survey reports, almost 75% of travelers are looking for branded hotels and are willing to pay 15-20% premium on their previous budgets. Given this trend, market share of branded hotels is expected to grow by 16% to 22%.

With the recent travel restrictions and limited international travel, the India tourism and hospitality industry is expected to see more of domestic travel in near future. Tourism in India is expected to bounce back earlier than the US and some European countries, at normal pre-COVID levels by the calendar year 2022. Positive news of vaccine for Covid being available by early next year will further normalize the travel and tourism industry.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Another factor is India's emergence as a destination to avail world class medical facilities at competitive cost. Further, with the Central Government pushing for 'Aatm Nirbhar Bharat', investment in India will drive business travel.

Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

### **Threats, Risks and Concerns**

Presently, the immediate threat to the tourism and travel industry is the wider and faster spread of Covid. This threat may further become serious having prolonged impact in case a successful vaccine is not available soon enough.

Another challenge to the organized hotel industry is the increasing availability of, and guest preference for the serviced apartments for short-term or long-term stay, providing larger rooms and more space with all the luxuries of a premium hotel at a far more competitive rate.

Increased competition in the last few years has eroded the market share of the Company's hotel thus impacting the occupancy levels and room rates.

Talent management is a major challenge for the hospitality sector. Inadequate supply of quality talent and increased competition for talent within the sector and from competing service sectors has made attrition a significant issue to be dealt with.

### **Company's strategy for sustained growth in medium to long term**

For the sustained growth of an organization, it is imperative that it keeps exploring newer opportunities of growth either through expansion or venturing in to new projects. In its endeavor for sustained growth, the Board of Directors of the Company is contemplating how to best utilize the additional FAR (Floor Area Ratio) of approx. 30,000 sq. meters which is available to the Company in respect of land where hotel Hyatt Regency Delhi is situated, subject to payment of requisite charges to the authorities concerned.

In line with the above, your Directors envisage further development/expansion of the existing property which would include a luxury hotel, serviced residences and commercial space. In view of this development, your Directors would be soon re-negotiating a new long-term operating contract with the Operator, Hyatt International, with which the Company has a forty-year long working relationship.

### **Review of Operational and Financial performance**

The Company achieved aggregate revenue of Rs. 252.39 crore from operations for the year ended 31<sup>st</sup> March, 2020. The said revenue in the prior year was Rs. 273.52 crore. Detailed discussions are given under 'Financial Results & the State of Company's Affairs' herein-above.

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## Significant Changes in Key Financial Ratios

Key financial ratios for the year under review vis-à-vis prior year are as under:

S. No.	Key Financial Ratio	FY 2019-20	FY 2018-19
i	Operating Profit Margin (%)*	21.75	30.04
ii	Net Profit Margin (%)*	(23.65)	(11.64)
iii	Debtors Turnover	19.66	16.42
iv	Inventory Turnover	24.44	24.27
v	Current Ratio#	0.21	0.28
vi	Debt Equity Ratio	1.43	1.58
vii	Interest Coverage Ratio*	0.41	0.69
viii	Return on Net Worth (%)*	(9.82)	(4.64)

\* During the year under review, the revenue from operations was impacted primarily due to Covid-19 outbreak, resulting in reduced operating profit margin and increased net loss as compared to the prior year. Decrease in profit before interest and depreciation and increase in interest cost has resulted in reduced Interest Coverage Ratio.

#Increased cash loss during the year under review has adversely impacted the Current Ratio.

## Segment wise performance

During the year under review, your Company operated an integrated hotel business at only one location i.e. New Delhi. Power generation, the other business segment being pursued by the Company is governed by a different set of risks and returns. Your Company had two Wind Turbine Generators operating in Maharashtra, but the quantum of assets as well as revenue generated was not significant enough for reporting in terms of the applicable Accounting Standard.

## Internal Control Systems including Financial Controls and their adequacy

The Company has standard operating procedures for each operational area. It has in place adequate reporting systems in respect of financial performance, operational efficiencies and reporting with respect to compliance of various statutory and regulatory matters. As detailed above, the Internal Auditors have regularly conducted exhaustive audits pertaining to different operational areas and their reports detailing their findings and observations were periodically placed before the Audit Committee. The Audit Committee also takes stock of the actions taken on the observations of and recommendations made by the Internal Auditors.

The Company has in place adequate internal controls and systems including internal financial control over financial reporting and these are operating effectively.

## Human Resources and Industrial Relations

An organization's success depends largely on its human resources, its management and good industrial relations. Your Company has always viewed human resource development as a critical activity for achieving its business goals.

The Company has in place a Policy against Sexual Harassment and has also formed an Internal Complaints Committee in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint was received in pursuance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company enjoys harmonious relationship with its employees. The Company had 744 employees on its rolls as on 31<sup>st</sup> March, 2020 (previous year end 738).

## ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation and gratitude to the Company's valued customers, the Government of India, State Government of Delhi, and the Financial Institutions and Banks for their continued support and confidence in the Company.

Your Directors also place on record their sincere gratitude to Hyatt International for their co-operation and guidance.

Your Directors also commend the sincere efforts put in by the employees at all levels for the growth of the Company.

**For and on behalf of the Board**

Place: New Delhi  
Dated: 12<sup>th</sup> November, 2020

**Shiv Kumar Jatia**  
Chairman & Managing Director  
DIN: 00006187

# ASIAN HOTELS (NORTH) LIMITED

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## ANNEXURE 'A' FORMING PART OF THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

The Members

**Asian Hotels (North) Limited**

Bhikaiji Cama Place, M. G. Marg,  
New Delhi-110066

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Asian Hotels (North) Limited** (hereinafter called the Company). 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2020 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 March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - (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 to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
  - 1. Delhi Eating House Registration Regulation, 1980;
  - 2. Food Safety & Standard Act, 2006;
  - 3. The Food Safety and Standard Rules, 2011;and
  - 4. Delhi Entertainment & Betting Tax Act, 1996.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except delay in filing of few e-forms with the Registrar of Companies.

We further report that,

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

# ASIAN HOTELS (NORTH) LIMITED

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*However, pursuant to Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not appointed any one of its Independent Director in each of its overseas material subsidiaries i.e. Fineline Hospitality & Consultancy Pte. Ltd., Mauritius and Lexon Hotel Ventures Limited, Mauritius on their respective Board.*

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 (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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 are carried out unanimously 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.

We further report that during the audit period the Company had no specific events / actions that had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302B000554972

Date: 06.08.2020  
Place: Delhi

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

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## Annexure A

The Members

**Asian Hotels (North) Limited**  
Bhikaiji Cama Place, M. G. Marg,  
New Delhi-110066

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 the random 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.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random 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.

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302B000554972

Date: 06.08.2020  
Place: Delhi



# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'B' FORMING PART OF THE DIRECTORS' REPORT

### PARTICULARS AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

#### A. CONSERVATION OF ENERGY

S. No.	Energy Conservation measures taken/capital investment made during the financial year 2019-20	Impact (Estimated savings per annum)
	In September 2019, the Company installed an in-house bottling plant to cater to captive demand for packaged drinking water investing about Rs. 35 lacs towards the cost of plant and machinery and infrastructure. Since the Company is using glass bottles for packaging the drinking water, these bottles are reused thus eliminating the need of plastic bottles. This has been a major step towards environment protection, which also resulted in major savings for the Company.	This move has resulted into savings of about 20-22% of the cost of procuring packaged water.
	All plumbing shafts were connected to collect condensate water from air conditioning units into a centralized tank and the same water reused for the cooling towers. This is also another step towards environment protection and water conservation.	This move saved about 6000 kls of water and resulted into a saving of about Rs. 7.5 lacs
	The continuing exercise of installing LED lights in all guest rooms, corridors and other public areas. This has been a move towards energy conservation.	The resultant saving is expected to be Rs. 10 lacs per annum

S. No.	Steps taken by the Company for utilizing alternate sources of energy during the financial year 2019-20	Status
1.	The Company holds an equity stake in a Hydel Power project thus qualifying as 'Captive User' in terms of the Electricity Rules, 2003. This investment enables the Company to purchase power directly from the above hydro power generator company at a competitive price.	Resultant savings during the financial year are Rs. 300 lacs.

S. No.	Additional investment made/proposed during the financial year 2020-21 for 'Sustainability Efforts'	Impact (Estimated savings per annum)
1.	The Company proposed to completely overall and renovate its cooling towers during the year 2020-21 at an expected capital expenditure of Rs. 200 lacs. However, due to global pandemic and resultant prolonged lockdowns, the work could not start so far. If the conditions are conducive, the Company may take up this sustainability effort in March 2021.  Once completed, it will result into major savings towards consumption of energy and water.	The estimated savings, post completion of renovation, would be over Rs. 50 lacs per annum

There is no further proposal for additional investments during the financial year 2020-21.

#### B. TECHNOLOGY ABSORPTION

In the opinion of the Board, the required particulars, pertaining to technology absorption in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable as hotels form part of the service industry and the Company does not have any significant manufacturing operations.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) The Company has a strong commitment to international business, and is continuously exploring avenues to increase its foreign exchange earnings.
- ii) During the year under review, foreign exchange earnings amounted to Rs. 90.30 crore (Rs. 131.45 crore in the prior year) against which the outgo in foreign exchange was equivalent to Rs. 22.26 crore (Rs. 30.94 crore in the prior year).
- iii) Details of foreign exchange earnings and outgo are given at Note 38 to the Stand-alone Financial Statements.

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'C' FORMING PART OF THE DIRECTORS' REPORT

Disclosure under Section 197(12) of the Companies Act, 2013 (the Act) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31<sup>st</sup> March, 2020:**

Name of the Director	Nature of Directorship	Ratio
Mr. Shiv Kumar Jatia	Chairman & Managing Director	69.36:1
Ms. Anita Thapar	Executive Director-Administration & Corporate Co-ordination	9.67:1

As the Company suffered loss, no commission is payable to the Non-executive Directors for the year under review. Non-executive directors were paid only the sitting fee for attending the meetings of the Board or Committees thereof. Accordingly, the calculation of required ratio, only on the basis of sitting fee paid would not be appropriate.

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

Name of the Director/KMP	Office held	Increase/ (Decrease) (%)
Mr. Shiv Kumar Jatia	Chairman & Managing Director	10.10
Ms. Anita Thapar	Executive Director-Administration & Corporate Co-ordination	22.72
Mr. Prakash Chandra Sharma	Chief Financial Officer	2.17
Mr. Dinesh Kumar Jain	Company Secretary	2.34

Non-executive directors are paid commission on profit as remuneration. Further, they are paid sitting fees for attending the meetings of the Board or Committees thereof. As mentioned above, due to the loss suffered by the Company, no commission is payable to any director in respect of the year under review. Hence, there is no case for increase in remuneration of any non-executive directors.

3. **The percentage increase/(decrease) in the median remuneration of employees in the financial year under review:** 4.01%
4. **The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2020:** 744
5. **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:**

Average percentage increase in salary of all employees (other than the Managing Director and Executive Director) during the year under review is 8.3 %

There was an increase in the remuneration paid to Mr. Shiv Kumar Jatia, Managing Director, and Ms. Anita Thapar, Executive Director – Administration & Corporate Co-ordination, by 10.10% and 22.72% respectively. They were paid the remuneration in accordance with the shareholders' approvals obtained within the limits prescribed under Schedule V to the Act, as applicable. Any component paid in excess is recovered from the concerned person.

6. **Affirmation that the remuneration is as per the remuneration policy of the company:**

The remuneration paid is as per the Nomination, Remuneration and Evaluation Policy of the Company.

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'D' FORMING PART OF THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. NO.	NAME	AGE (YRS.)	DESIGNATION/ NATURE OF DUTIES	REMUNERATION (RS.)	QUALIFICATION	EXPERIENCE (YRS.)	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD/ DESIGNATION/PERIOD
<b>TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN</b>								
1	Shiv Kumar Jatia	67	Chairman and Managing Director	2,33,43,731	B.Com	47	10.04.1981	Industrialist
2	Julian Ayers	54	General Manager	1,61,56,868	Hotel Management Graduate	20	01.08.2019	Alila Jabal Akhdar Oman Alila Hotels & Resorts – Singapore (6 Yrs 3 months)
3	Deepak Gupta	43	Group Corporate Finance Head & General Manager - Finance	1,33,91,027	B.Com (H), A.C.A.	21	01.08.2007	Wei Intertrade Private Limited, Financial Controller (7 Yrs. 8 months)
4	Ivan Gabriele	48	Executive Chef	1,04,20,744	Master in Hotel Management	20	10.02.2016	New World Manila Bay Hotel, Philippines, Executive Chef (1 Yr.)
5	Aseem Kapoor	52	General Manager – Hyatt Regency Delhi	79,81,182	Hotel Management Graduate	30	27.05.2013	General Manager, Hyatt Regency Mumbai (5 Yrs.)
6	Zhang Hongsheng	41	Chef De Cuisine	56,21,989	Diploma in Culinary	23	02.06.2017	Grand Hyatt Beijing, Chef De Partie (4 ½ Yrs.)
7	Ajit Thomas	52	President Project	50,89,829	BA, AH & MA in Marketing Hospitality, Marketing and Sales, Purchase	31	01.06.2019	Leading Hotels Limited (1 Yr. 4 Months)
8	Dinesh Kumar Jain	60	Vice President (Corporate Affairs) & Company Secretary	50,62,248	B.Com (H), F.C.S.	41	27.06.2006/ 01.10.2017	RayBan Sun Optics India Limited, Company Secretary & Legal Manager (6 Yrs.)
9	George Lostia	44	Chef De Cuisine	49,27,818	Hospitality and Catering HACCP Certification of Food Industry Institute Sardars	11	16-01-2019	Villa Larío (7 Months)
10	Vipin Vasudeva	57	Vice President - Projects	48,66,955	B.E. (Civil)	34	15.01.2010	Magus Estates and Hotels Limited, Vice President – Projects (5 Yrs.)
<b>EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 102 LAC</b>								
1	Shiv Kumar Jatia	67	Chairman and Managing Director	2,33,43,731	B.Com	47	10.04.1981	Industrialist
<b>EMPLOYED FOR PART OF THE YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 8.50 LAC PER MONTH</b>								
1	Aseem Kapoor	52	General Manager – Hyatt Regency Delhi	79,81,182	Hotel Management Graduate	30	27.05.2013	General Manager, Hyatt Regency Mumbai (5 Yrs.)
2	Julian Ayers	54	General Manager	1,61,56,868	Hotel Management Graduate	20	01.08.2019	Alila Jabal Akhdar Oman Alila Hotels & Resorts – Singapore
3	Alessandro Sandrolini	50	Executive Sous Chef	6,99,041	Trade School Graduate	32	15.01.2016	Park Hyatt Jeddah, Executive Sous Chef (2 ½ yrs)

### Notes:

- Total remuneration comprises Basic Salary, HRA, Special Allowance, Company's contribution to Provident Fund, LTA, Personal pay, Performance incentive, Ex-gratia payment and monetary value of other perquisites, if any, on the basis of Income Tax rules. No commission is payable for the year under review to the Managing Director due to the loss incurred.
- Appointment of Mr. Shiv Kumar Jatia, Mr. Aseem Kapoor, Mr. Dinesh Kumar Jain, Mr. Alessandro Sandrolini, Mr. Ivan Gabriele and Mr. Zhang Hongsheng is/was on contractual basis.
- None of the above-named employee is a relative of any Director of the Company except Mr. Shiv Kumar Jatia who is the father of Mr. Amrtesh Jatia.
- During the year under review, Mr. Aseem Kapoor, General Manager-Hyatt Regency Delhi was paid remuneration which was, proportionately in excess of the remuneration paid to the Managing Director. Mr. Kapoor, his spouse and/or dependent children do not hold any shares of the Company.
- During the year under review, Mr. Julian Ayers, General Manager-Hyatt Regency Delhi was paid remuneration which was, proportionately in excess of the remuneration paid to the Managing Director. Mr. Ayers, his spouse and/or dependent children do not hold any shares of the Company.

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'E' FORMING PART OF THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

#### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is about commitment to values and ethical business conduct. It implies application of those values and ethics to manage day to day affairs and dealings with all the stakeholders. It is about how an organization is managed. Further, dissemination of timely and accurate information regarding financial position and general state of affairs of the entity is an important part of corporate governance.

The Company is committed to good governance practices while conducting its business and endeavors to uphold the core concept of Corporate Governance. The four pillars, on which the corporate governance rests, are transparency, integrity, accountability and compliance of laws, and Asian Hotels (North) Limited, as a Company, has imbibed these principles and endeavors to follow these diligently.

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the Company's 'Corporate Governance Report' is given below:

#### BOARD OF DIRECTORS

In consonance with the requirements of Regulation 17 of the Listing Regulations, the Board of Directors of the Company is constituted of an appropriate mix of executive and non-executive directors on one hand, and an adequate number of independent directors from amongst the non-executive directors, on the other hand, to maintain the Board's independence, and to ensure exercising effective governance and control over its executive functioning. At the beginning of the year under review, the Board had eight directors comprising four independent non-executive directors, two non-executive directors, and two executive directors – one being the Chairman & Managing Director and the other a whole-time director designated as Executive Director - Administration & Corporate Co-ordination.

At the 38<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> August, 2019, Mr. Amrutesh Jatia (DIN: 02781300) was re-appointed as a director liable to retire by rotation.

During the year under review, there was no change in the composition of the Board of Directors and its constitution was in compliance with the provisions of the Companies Act, 2013 (the Act) and the Listing Regulations.

The Company follows the prescribed Board procedures and furnishes detailed notes in advance on the businesses to be dealt with at the Board Meetings in terms of Regulation 17 of the Listing Regulations. The Board has been meeting regularly ensuring that the gap between two consecutive meetings does not exceed one hundred and twenty days. The Company was generally in compliance with the requirements of Regulation 17 of the Listing Regulations, as applicable at the relevant time.

During the year under review, four Board meetings were held respectively on 28<sup>th</sup> May, 2019, 23<sup>rd</sup> July, 2019, 12<sup>th</sup> November, 2019 and 11<sup>th</sup> February, 2020.

Pursuant to the provisions of Para C of Schedule V to the Listing Regulations, the relevant information including the composition of the Board, details of directorships held, committee memberships/chairmanships held, and the attendance of the directors at the Board meetings and the previous Annual General Meeting (AGM) held during the year under review are given below:

S. No.	Name of the Director & Directors Identification Number@	Category	Board meetings attended vis-à-vis meetings held during their respective tenure including the meeting in which appointed	Last AGM attended: 27 <sup>th</sup> August, 2019	No. of Directorships held in private companies ^	No. of Directorships held in public companies^	No. of Committee memberships in public companies ^ #	No. of Chairmanship in such Committees ^ #
1.	Mr. Shiv Kumar Jatia (DIN: 00006187)	Executive [Chairman & Managing Director] & Promoter Director	4 of 4	YES	13	3	4	1
2.	Dr. Lalit Bhasin (DIN: 00001607)	Independent Non-Executive Director	4 of 4	YES	0	9	6	4
3.	Mr. Dinesh Chandra Kothari (DIN: 00195609)	Independent Non-Executive Director	2 of 4	NO*	5	3	4	1
4.	Mr. Pinaki Misra (DIN: 00568348)	Independent Non – Executive Director	4 of 4~	NO	4	2	3	0
5.	Mr. Ranjan Kishore Bhattacharya (DIN: 00331394)	Independent Non – Executive Director	4 of 4~~	NO	7	1	1	0
6.	Mr. Dipendra Bharat Goenka (DIN: 01969285)	Non – Executive Director	0 of 4\$	NO	0	1	0	0
7.	Mr. Amrutesh Jatia (DIN: 02781300)	Non – Executive & Promoter Director	3 of 4	YES	1	3	1	0
8.	Ms. Anita Thapar (DIN: 02171074)	Executive Director – Administration & Corporate Co-ordination	2 of 4\$\$	YES	3	5	1	0

# ASIAN HOTELS (NORTH) LIMITED

@ Inter-se relationship of directors: Mr. Amrithesh Jatia is son of Mr. Shiv Kumar Jatia.

^ Reflects status as per the latest declarations received from the directors for the FY 2020-21. Includes directorship/membership/chairmanship of the Board/ Committees of Asian Hotels (North) Limited, and excludes foreign bodies corporate. Further, directorships include Section 8 companies and companies limited by guarantee.

#Only membership and/or chairmanship of Audit Committee and Stakeholders' Relationship Committee in public limited companies have been taken for this purpose. Wherever the director is a chairman of a Committee, it is also reflected in the count for membership of Committees.

\*Being the Chairman of the Stakeholders' Relationship Committee, Mr. Kothari authorized Mr. Amrithesh Jatia, a member of the said Committee, to attend the AGM on his behalf

~ Mr. Pinaki Misra, Independent Non-Executive Director resigned from the office of Director with effect from 3<sup>rd</sup> September, 2020

~~ Mr. Ranjan Kishore Bhattacharya, Independent Non-Executive Director resigned from the office of Director with effect from 7<sup>th</sup> September, 2020

\$ Mr. Dipendra Bharat Goenka resigned from the office of Director with effect from 30<sup>th</sup> April, 2020.

\$\$ Ms. Anita Thapar, Executive Director – Administration & Corporate Co-ordination resigned from the office of Director effective 1<sup>st</sup> August, 2020.

None of the independent non-executive directors is serving as an independent director in more than seven listed companies. Further, none of the directors of the Company holding the position of a whole-time director in any listed company is serving as an independent director in more than three listed companies.

Except Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Pinaki Misra none of the other Director holds directorship in any other listed company. The detail of directorships held by the aforesaid Directors in other listed companies is given below:

S. No.	Name of Director and Category	Name of the Listed Company	Category of Directorship
1	Dr. Lalit Bhasin, Independent Non- Executive Director	1. Godfrey Phillips India Limited	Independent Non- Executive Director
		2. Asian Hotels (West) Limited	Independent Non- Executive Director
2	Mr. Dinesh Chandra Kothari, Independent Non- Executive Director	Aro Granite Industries Limited	Independent Non- Executive Director
3	Mr. Pinaki Misra, Independent Non- Executive Director	W H Brady and Company Limited	Independent Non- Executive Director

The Board of Directors have identified the following core skills/expertise/competencies as required in the context of its business for it to function effectively and those actually available with the Board; and the names of the Directors who have/had such skills at the end of the year under review, are tabulated below:

Understanding the business dynamics and global trends	Mr. Shiv Kumar Jatia, Mr. Amrithesh Jatia, Mr. Ranjan Kishore Bhattacharya and Mr. Dipendra Bharat Goenka
Strategic planning for sustainable growth of the Company	Mr. Dinesh Chandra Kothari, Mr. Ranjan Kishore Bhattacharya and Mr. Amrithesh Jatia
Governance practices for serving the best interest of all stakeholders	Dr. Lalit Bhasin and Mr. Pinaki Misra

In the opinion of the Board, all the Independent Non-Executive Directors as on 31<sup>st</sup> March, 2020, namely Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari, Mr. Pinaki Misra and Mr. Ranjan Kishore Bhattacharya fulfilled the conditions specified in the Listing Regulations and the Act and were independent of the Management during the year under review and continue to be independent during their tenure subsequent to the year under review.

Mr. Pinaki Misra, Independent Non-Executive Director resigned before the expiry of his tenure effective 3<sup>rd</sup> September, 2020 due to his professional preoccupations and confirmed that there was no other material reason whatsoever for his resignation.

Mr. Ranjan Kishore Bhattacharya, Independent Non-Executive Director resigned before the expiry of his tenure effective 7<sup>th</sup> September, 2020 due to unavoidable personal circumstances and confirmed that there was no other material reason whatsoever for his resignation.

The Directors of the Company have affirmed that they are not debarred from holding the office of Director by virtue of any order of SEBI or other such statutory authority.

## COMMITTEES OF DIRECTORS

Apart from committees for different operational purposes, the Company's Board has the following Committees constituted in pursuance of various provisions of the Act and the Listing Regulations. All recommendations of the Committees are placed before the Board for approval or information, if required. During the year under review, all the recommendations of/submissions by the Committees which were mandatorily required, were accepted by the Board.

### a) Audit Committee:

At the commencement of the year under review, the Committee comprised of four members namely Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Ranjan Kishore Bhattacharya, Independent Non-executive Directors, and Mr. Shiv Kumar Jatia, Managing Director. During the year under review, there was no change in the composition of the Audit Committee.

The Chief Financial Officer of the Company and the Audit Partner/representative(s) of the Statutory Auditors are the permanent special invitees to the committee meetings unless otherwise decided by the Committee.

# ASIAN HOTELS (NORTH) LIMITED

The terms of reference of the Committee, its role, responsibilities, powers, and terms of reference are in consonance with the provisions of Section 177 and other applicable provisions of the Act and rules made thereunder; Regulation 18 and other applicable provisions of the Listing Regulations and relevant Schedule thereto; and relevant provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended or re-stated from time to time.

Major terms of reference of the Audit Committee are extracted below:

- Oversight of financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Evaluation of internal financial controls;
- Reviewing financial statements of unlisted subsidiaries;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing implementation/compliance of the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (the Insider Trading Code); and
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors to the Company.

The Audit Committee's business and meetings are conducted in terms of the above-referred provisions. The quorum requires presence of at least two members, both being independent non-executive directors.

Dr. Lalit Bhasin, Independent Non-Executive Director, an eminent lawyer, is the Chairman of the Audit Committee. He is chairman/member of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee of several listed and un-listed companies. Mr. Kothari is a Chartered Accountant and has rich experience in financial restructuring. Mr. Kothari is member of Audit Committee and Stakeholders' Relationship Committee of another listed company. Mr. Ranjan Kishore Bhattacharya is a graduate in economics and holds a post graduate diploma in Hotel Management. Mr. Bhattacharya has vast experience in the hospitality industry. Mr. Shiv Kumar Jatia, Chairman & Managing Director of the Company is an industrialist of high repute and has rich business experience in managing many private as well as public/listed companies.

Mr. Dinesh Kumar Jain, Vice President (Corporate Affairs) & Company Secretary continues to act as secretary to the Committee.

During the year under review, four meetings of the Committee were held respectively on 28<sup>th</sup> May, 2019, 23<sup>rd</sup> July, 2019, 12<sup>th</sup> November, 2019 and 11<sup>th</sup> February, 2020. The attendance of the member directors at the Audit Committee meetings is as under:

Name of the Director	Category	No. of Meetings Attended
Dr. Lalit Bhasin	Independent Non-Executive; Chairman of the Committee	4 of 4
Mr. Dinesh Chandra Kothari	Independent Non-Executive	2 of 4
Mr. Ranjan Kishore Bhattacharya	Independent Non-Executive	4 of 4
Mr. Shiv Kumar Jatia	Executive & Promoter Director	4 of 4

## b) Stakeholders' Relationship Committee:

The roles, responsibilities, powers and terms of reference of the Stakeholders' Relationship Committee have been as defined in, and in conformity with the provisions of Section 178 and other applicable provisions of the Act read with Regulation 20 and other applicable provisions of the Listing Regulations, as amended or re-stated from time to time.

Major terms of reference of the Stakeholders' Relationship Committee are extracted below:

- Look into various aspects of shareholders' interests;
- Redressal of investors' grievances;
- Ensuring effective measures and initiatives for reducing quantum of unclaimed dividend; and
- Consider and approve issuance of share certificates and transmission etc of shares.

At the commencement of the year under review, the Committee comprised of five members namely Mr. Dinesh Chandra Kothari and Mr. Pinaki Misra, both Independent Non-Executive Directors, Mr. Amrutesh Jatia, Non-Executive Director, Mr. Shiv Kumar Jatia, Managing Director and Ms. Anita Thapar, Executive Director-Administration & Corporate Co-ordination. Mr. Dinesh Chandra Kothari continues to act as the chairman of the Committee. The Committee meets once every quarter and the quorum requires presence of at least two members, including an independent non-executive director. During the year under review, there has been no change in the composition of the Committee.

The Committee's primary responsibility is to supervise redressal of shareholders' grievances. It acts as a catalyst for matters concerning shareholders and is quite proactive in its approach. Besides 2 complaints which were lying unresolved or unattended at

# ASIAN HOTELS (NORTH) LIMITED

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the beginning of the year, the Company received 40 complaints during the year under review, which were appropriately attended and/or resolved. There was no complaint lying unresolved or unattended as at the year end.

Mr. Dinesh Kumar Jain, Vice President (Corporate Affairs) & Company Secretary is the Compliance Officer of the Company and acts as secretary to the Committee.

During the year under review, four meetings of the Committee were held respectively on 28<sup>th</sup> May, 2019, 23<sup>rd</sup> July, 2019, 12<sup>th</sup> November, 2019 and 11<sup>th</sup> February, 2020.

The attendance of the member directors at the Stakeholders' Relationship Committee meetings is as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Dinesh Chandra Kothari	Independent Non-Executive; Chairman of the Committee	2 of 4
Mr. Pinaki Misra	Independent Non-Executive	4 of 4
Mr. Shiv Kumar Jatia	Executive & Promoter Director	4 of 4
Mr. Amrutesh Jatia	Non-executive & Promoter Director	3 of 4
Ms. Anita Thapar	Executive Director	2 of 4

## c) Nomination and Remuneration Committee:

The roles, responsibilities, powers and terms of reference of the Nomination and Remuneration Committee were in conformity with Section 178 of the Act and Rules made there-under, and Regulation 19 of the Listing Regulations and relevant Schedule thereto, as amended or re-stated from time to time, during the year under review. Moreover, the Board of Directors has ensured that the Nomination, Remuneration and Evaluation Policy of the Company is updated to conform to the aforesaid provisions, which inter-alia details the criteria for performance evaluation of the independent directors.

The Board followed the following mechanism for evaluating the performance of the Board, its Committees and individual directors including the Chairman of the Company:

- the Independent Directors through their exclusive meeting evaluate the performance of Non- Independent directors, the Chairman and the Board as a whole;
- the Nomination and Remuneration Committee considers the views of the Independent Directors through their exclusive meeting regarding the performance of Non-Independent Directors and based there-upon makes its recommendations to the Board about their performance;
- the Nomination and Remuneration Committee evaluates the performance of Independent Directors and makes its recommendations to the Board about their performance; and
- the Board finally evaluates the performance of all individual directors, the Chairman, the Board as a whole and Committees thereof. While evaluating the performance of the Board, it considers the views of the Independent Directors through their exclusive meeting.

The Board of Directors of the Company has in place an evaluation criteria for assessment of its own performance, that of the committees of the Board and the individual directors. Leadership abilities, understanding the business dynamics, strategic planning for sustainable growth and protection of minority shareholders' interest, are the essential criteria for the performance evaluation of the directors.

The Board in its meeting held on 12<sup>th</sup> August, 2020, has discussed its overall performance on the parameters as laid down in the Nomination, Remuneration and Evaluation Policy, as amended and adopted by the Board in its meeting held on 12<sup>th</sup> February, 2019, and concluded that the Board and its Committees have been performing satisfactorily. Further, based on the aforesaid policy, and the feedback received from fellow directors, the Board also evaluated the performance of the individual directors (including the Chairman) and found it satisfactory.

There was no action required to be taken during the year under review based on the previous year's observations on the Board Evaluation. Further, no action is proposed to be taken based on the observations on the Board Evaluation for the year under review.

The details of the evaluation criteria are enumerated in the Nomination, Remuneration and Evaluation Policy which can be accessed at <http://www.asianhotelsnorth.com/pdf/NominationRemunerationandEvaluationPolicyeffective01042019.pdf>

The salient features of the said policy including the role and responsibility of the Nomination and Remuneration Committee are as under:

- Role of the Nomination and Remuneration Committee
  - Ensure diversity of Board;
  - Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board their appointment;

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- Identify persons who are qualified to become directors and/or senior management personnel and recommend to the Board their appointment;
  - Recommend to the Board a remuneration policy for the directors, key managerial/senior management personnel; and
  - Specify the manner for effective evaluation of performance of the Board, its committees and each category of directors
- b) Appointment of directors/KMPs/SMPs as per criteria set-out in the Nomination, Remuneration and Evaluation Policy
- c) Guiding principles for quantum and composition of remuneration, remuneration structure for whole-time directors and non-executive directors
- d) Criteria for evaluation of performance of whole-time directors, non-executive directors and independent non-executive directors

At the commencement of the year under review, the Committee comprised of three independent non-executive directors as its members, viz. Dr. Lalit Bhasin, as chairman of the Committee, and Mr. Dinesh Chandra Kothari and Mr. Ranjan Kishore Bhattacharya as its members. Any two members form the quorum. The Company Secretary acts as the secretary to the Committee. During the year under review, there has been no change in the composition of the Committee.

During the year under review, two meetings of the Committee were held respectively on 28<sup>th</sup> May, 2019 and 23<sup>rd</sup> July, 2019. The attendance of the member directors at the Nomination and Remuneration Committee meetings is as under:

Name of the Director	Category	No. of Meetings Attended
Dr. Lalit Bhasin	Independent Non-Executive; Chairman of the Committee	2 of 2
Mr. Dinesh Chandra Kothari	Independent Non-Executive	1 of 2
Mr. Ranjan Kishore Bhattacharya	Independent Non-Executive	2 of 2

## d) Corporate Social Responsibility (CSR) Committee:

At the commencement of the year under review, the CSR Committee, constituted under Section 135 of the Act, comprised Mr. Shiv Kumar Jatia, Managing Director, who chairs the Committee meetings, and Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Pinaki Misra, Independent Non-executive Directors as its members. The role, responsibilities, powers and terms of reference of the Committee are in consonance with Section 135 of the Act and the rules made there-under. Quorum for the Committee meetings is two members.

All activities envisaged to be undertaken under the Company's CSR Policy are covered as permitted activities under Schedule VII to the Act.

The Committee is entrusted with the task of ascertaining the amount which the Company is supposed to spend on CSR activities during a particular year in pursuance of Section 135(5) of the Act and recommend how and through which institutions, the permitted activities should be undertaken, and to allocate the amount of expenditure to be incurred on each of such activities. Further, the Committee is entrusted to monitor the progress of the designated projects and ensure that the funds allocated are appropriately utilized for the designated projects/activities.

The CSR Policy of the Company is in compliance with the provisions of Section 135 of the Act read with the Rules framed there-under and Schedule VII thereto. The said policy has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/CorporateSocialResponsibilityPolicyeffective01042019.pdf>

Salient features of the said policy are as under:

- Defines roles and responsibilities of the CSR Committee;
- All designated CSR activities under the policy are permitted activities under Schedule VII to the Act.; and
- The policy lays down a detailed execution, monitoring and reporting mechanism.

During the year under review, only one meeting of the Committee was held on 28<sup>th</sup> May, 2019, which was attended by all the members.

## DIRECTORS' REMUNERATION

The remuneration package of the whole-time directors comprises a fixed component in the form of salary, perquisites and allowances, and in case of adequacy of profit, may include on case to case basis, a variable component of commission on profit.

Non-executive directors, i.e. directors other than the managing director/whole-time director are entitled to remuneration by way of commission on profit. Effective 1<sup>st</sup> April, 2019, the non-executive directors are entitled to remuneration by way of commission on profit for a period of five years in such a manner that the aggregate of commission payable to all such non-executive directors does not exceed 1% of the net profit of the Company computed in terms of Section 198 of the Act, with the liberty to the Board to vary the amount or proportion payable to each one of the non-executive directors every year provided that individually none of such directors receives a sum exceeding Rs. 7,50,000/- in respect of any financial year. However, in view of the loss suffered by the Company in respect of the year under review, no commission could be provided/paid to the non-executive directors.

In addition to the above, non-executive directors are entitled to sitting fees for the meetings of the Board and the Committees thereof attended by them and reimbursement of expenses, if any, in connection therewith.



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No stock option was offered to the directors or employees of the Company. In fact, the remuneration structure of executive as well as non-executive directors, as detailed above, does not provide for stock options. The notice period and severance fee are governed by the terms and conditions described in the respective resolutions and the Company policy in respect thereof.

Details of remuneration and sitting fees paid/payable to the directors for the year under review are given below:

REMUNERATION & SITTING FEES (In Rs.)				
Name of Director	Salary & Perks	Commission	Sitting Fees <sup>^</sup>	Total
Mr. Shiv Kumar Jatia*	2,33,43,731	0	0	2,33,43,731
Dr. Lalit Bhasin	0	0	5,50,000	5,50,000
Mr. Dinesh Chandra Kothari	0	0	4,00,000	4,00,000
Mr. Pinaki Misra	0	0	4,50,000	4,50,000
Mr. Ranjan Kishore Bhattacharya	0	0	5,50,000	5,50,000
Mr. Amritesh Jatia	0	0	0	0
Mr. Dipendra Bharat Goenka	0	0	0	0
Ms. Anita Thapar#	32,53,362	0	0	32,53,362
<b>Grand Total</b>	<b>2,65,97,093</b>	<b>0</b>	<b>19,50,000</b>	<b>2,85,47,093</b>

\*Re-appointed for another term of three years from 1<sup>st</sup> April, 2019 in the previous annual general meeting

#Tenure was from 28<sup>th</sup> May, 2018 to 31<sup>st</sup> March, 2021, however she resigned effective 1<sup>st</sup> August, 2020

<sup>^</sup>Excluding Service Tax/GST, as applicable

## OTHER BOARD RELATED DISCLOSURES

### Exclusive Meeting of the Independent Directors of the Company

During the year under review, an exclusive meeting of the independent directors was held on 28<sup>th</sup> May, 2019, inter-alia to review the performance of directors other than independent directors, and the Board as a whole; to review the performance of the chairperson of the Company; and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board. All Independent Directors namely, Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari, Pinaki Misra and Mr. Ranjan Kishore Bhattacharya attended the said meeting.

### Familiarization Programme for Independent Directors

The Company, in pursuance of Regulation 25(7) of the Listing Regulations, has in place a Familiarization Programme for its independent directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. Such Policy on Familiarization Programme has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/PolicyonFamiliarisationProgrammeforIndependentDirectors.pdf>

During the year under review, a Familiarization Programme was conducted for the benefit of the independent directors on 28<sup>th</sup> May, 2019. The said Programme was attended by Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari, Mr. Pinaki Misra and Mr. Ranjan Kishore Bhattacharya. The details of such Familiarization Programmes have been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/DetailsofFamiliarisationProgrammesforIDsason28052019.pdf>

As mandated, the Company has issued formal letters of appointment to its independent directors. General terms and conditions of appointment of independent directors are available on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/TermsConditionsofAppointmentofIndependentDirectors.pdf>

### Shareholding of Non-Executive Directors

As on 31<sup>st</sup> March, 2020, none of the non-executive directors held any equity share in the Company.

## GENERAL BODY MEETINGS

Financial Year	Nature of Meeting	Venue	Date	Time
2016-17	36 <sup>th</sup> AGM#	Hotel Hyatt Regency Delhi, Bhikaiji Cama Place, M.G. Marg, New Delhi-110066	10.08.2017	11.30 a.m.
2017-18	37 <sup>th</sup> AGM <sup>^</sup>	-do-	31.07.2018	11.30 a.m.
2018-19	38 <sup>th</sup> AGM*	-do-	27.08.2019	10.30 a.m.

# A special resolution in pursuance of Section 186 of the Companies Act, 2013 was placed before, and was approved by the shareholders authorizing further investments by acquiring securities by way of subscription, purchase or otherwise, as and when required, up to a sum not exceeding Rs. 250 crore over and above the existing investments of the Company. This resolution was not required to be put through a postal ballot.

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^ Following three businesses were placed before, and were approved by the shareholders as special resolutions:

1. Re-appointment of Mr. Shiv Kumar Jatia (DIN: 00006187) as Managing Director of the Company from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022 and terms and conditions of such re-appointment including for payment of remuneration;
2. Payment of remuneration to non-executive directors by way of commission on profit not exceeding 1% of the net profit of the Company for the relevant year, such authorisation being for a period of five years effective 1<sup>st</sup> April, 2019; and
3. Authorisation to give loan; give guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase, or otherwise, the securities of any other body corporate in pursuance of Section 186 of the Companies Act, 2013, not exceeding Rs. 1500 crore.

The business proposed at Item No. 3 above was required to be dealt with through a postal ballot process but it was transacted at the 37<sup>th</sup> annual general meeting held on 31<sup>st</sup> July, 2018, as the Company had provided the facility of voting by electronic means including remote e-voting as well as instant electronic voting at that meeting in compliance of proviso to sub-section (1) of Section 110 of the Act. None of the other resolutions were required to be put through postal ballot.

\* No special resolution was proposed at the 38<sup>th</sup> AGM.

During the financial year 2018-19, the Company conducted a postal ballot process as initiated by the Board in its meeting held on 12<sup>th</sup> February, 2019, inter- alia to secure shareholders' approval for the following businesses by means of separate special resolutions:

1. Continuation of Dr. Lalit Bhasin (DIN: 00001607) as Independent Non-executive Director pursuant to Regulation 17(1A) of the Listing Regulations;
2. Re-appointment of Dr. Lalit Bhasin\* (DIN: 00001607) for second term of five consecutive years as an Independent Non-executive Director; and
3. Re-appointment of Mr. Dinesh Chandra Kothari\* (DIN: 00195609) for second term of five consecutive years as an Independent Non-executive Director.

\*Completed their initial term on the conclusion of the 38<sup>th</sup> AGM.

The Company, following the due procedure described under the extant rules applicable for postal ballot under the Act, had provided the facility of e-voting to the shareholders through Karvy Fintech Pvt. Ltd. (Karvy) [now known as KFin Technologies Private Limited] in addition to physical voting through postal ballot. The Notice of Postal Ballot dated 12<sup>th</sup> February, 2019, was sent to the shareholders, whose names appeared in the Register of Members/List of Beneficial Owners as at the close of business hours on Friday, the 15<sup>th</sup> February, 2019, and accordingly, the voting rights were reckoned on the paid up value of shares registered in the name of the shareholders/beneficial owners as on the said date. Last date of receipt of the Postal Ballot Forms was Tuesday, the 26<sup>th</sup> March, 2019. Dr. S. Chandrasekaran (FCS 1644, CP No. 715), Senior Partner, and in his absence Mr. Shashikant Tiwari (FCS 28994, CP No. 13050), Partner, M/s Chandrasekaran Associates, Company Secretaries were appointed as the Scrutinizer to conduct the postal ballot process in fair and transparent manner. The Scrutinizers submitted their report on Thursday, the 28<sup>th</sup> March, 2019.

Ms. Anita Thapar, Executive Director-Administration & Corporate Co-ordination, received the Scrutinizer's Report, as authorized by the Board of Directors, and based upon the said report, announced the results of the postal ballot at the Registered Office of the Company on Thursday, the 28<sup>th</sup> March, 2019 at 4.00 p.m.

The voting pattern for the said postal ballot was as under:

Particulars	Resolution No. 1		Resolution No. 2		Resolution No. 3	
	No. of members voted	Votes held by them	No. of members voted	Votes held by them	No. of members voted	Votes held by them
Total No. of Members who voted, and shares held by them	201	1,41,08,654	201	1,41,08,654	201	1,41,08,654
Less: No. of Members, and their Invalid/ Rejected Votes	7	526	7	526	7	526
Less: No. of Members, and votes not exercised or partially exercised by them	8*	533	8*	533	6#	479
Total No. of Valid Votes Cast	187*	1,41,07,595	187*	1,41,07,595	189#	1,41,07,649
Valid Votes Cast in favour of the resolution	164	1,41,06,858	164	1,41,06,858	168	1,41,07,439
Valid Votes Cast against the resolution	23	737	23	737	21	210

\*One Member who holds 10 shares partially exercised his voting right for 2 shares only and not exercised his voting right for 8 shares.

#One Member who holds 10 shares partially exercised his voting right for 3 shares only and not exercised his voting right for 7 shares.

The result of the said postal ballot was communicated to BSE Limited and The National Stock Exchange of India Limited, where the equity shares of the Company are listed. The said results were displayed on the website of the Company ([www.asianhotelsnorth.com](http://www.asianhotelsnorth.com)) and on the website of Karvy ([www.evoting@karvy.com](mailto:www.evoting@karvy.com)).

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During the year under review, no postal ballot exercise was undertaken by the Company. Further, there is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## **SUBSIDIARY COMPANIES**

The Company holds 100% equity as well as preference capital in Finline Hospitality & Consultancy Pte. Ltd., Mauritius (FHCPL). FHCPL holds 80% equity stake in Lexon Hotel Ventures Ltd., Mauritius (Lexon), and Lexon in turn holds 99.76% equity stake in Leading Hotels Limited (Leading), an Indian subsidiary. Thus FHCPL has 79.81% economic interest in Leading.

The Audit Committee of the Company reviews financials of its subsidiaries, especially the significant transactions and arrangements including investments made by the subsidiaries, while considering the consolidated accounts. Minutes of the Board meetings of the subsidiaries are periodically placed and taken note of by the Board of the Company.

Based on the financial statements for the year ended 31<sup>st</sup> March, 2020, of the above named subsidiaries and the consolidated financial statements of the Company for the year ended as on that date, FHCPL, Lexon and Leading are material subsidiaries of the Company.

## **MATERIAL DISCLOSURES**

### **Code of Conduct**

The Board of Directors of the Company had approved and adopted a Code of Conduct, namely 'AHNL Code of Conduct', applicable to all the Board Members and Senior Management Personnel and the same is uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/CodeofConducteffective01042019.pdf>

All concerned have affirmed their compliance with the said Code during the year under review. As required, a declaration to this effect by the Chairman & Managing Director of the Company is annexed to this report as **Annexure I**.

### **Conflict of Interest**

Based on the disclosures received by the Board from the Company's Senior Management Personnel, none of the Senior Management Personnel had any material financial or commercial transactions wherein they had personal interest that could have a potential conflict with the interest of the Company at large.

### **Independence of Directors**

During the year under review, all independent non-executive directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 and 150 and rules framed thereunder and other applicable provisions of the Act read with relevant regulations of the Listing Regulations. Independent non-executive directors have also submitted declarations for the financial year 2020-21 confirming that they continue to meet the criteria of independence as laid down under aforesaid provisions.. Further, they have confirmed that they have obtained registration with the Indian Institute of Corporate Affairs as an Independent Director and such registration continues to be valid; and that they shall ensure renewal of such registration within a period of thirty days from the date of its expiry, as applicable; and that they shall pass the Online Proficiency Self-Assessment Test conducted by the abovenamed institute within a period of one year from the date of inclusion of their respective names in the databank, if applicable, in pursuance of Section 150 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019, Further, in terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Reliance was placed on these confirmations/declarations while ascertaining the adequacy of number of independent directors for the purposes of compliance with Regulation 17 and other applicable regulations of the Listing Regulations.

In the opinion of the Board, the independent non-executive directors fulfill the conditions specified under Section 149 of the Act and the Listing Regulations, as amended, and that they are independent of the management.

### **Related Party Transactions**

The Board of Directors of the Company had approved and adopted 'Policy for Related Party Transactions', which has been uploaded on the website of the Company and can be accessed at [http://www.asianhotelsnorth.com/pdf/Policy\\_for\\_Related\\_Party\\_Transactions\\_effective%2001042019.pdf](http://www.asianhotelsnorth.com/pdf/Policy_for_Related_Party_Transactions_effective%2001042019.pdf)

There were no materially significant related party transactions that may have had potential conflict with the interest of the Company at large. Details of related party transactions i.e. transactions of the Company with its promoters, directors, key managerial personnel or their relatives and subsidiaries of the Company are detailed under Note 41 to the Stand-alone Financial Statements. The Board certifies that these transactions are in the ordinary course of business, and are on an arm's length basis. These transactions have been approved by the Audit Committee and the Board of Directors from time to time. Save as otherwise detailed above, the directors and key managerial personnel had no pecuniary relationship or transactions with the Company during the year under review.

### **Policy for Determining Material Subsidiaries**

The Board of Directors of the Company had approved and adopted 'Policy for Determining Material Subsidiaries', which has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/PolicyforDeterminingMaterialSubsidiarieseffective01042019.pdf>

## Legal Compliances

Timely compliance of multifarious and complex regulatory framework is always a challenge. Compliance status of all applicable laws is reviewed by the Board on quarterly basis. In the opinion of your Directors, there has been no significant non-compliance by the Company during the last three years in general, more-so in terms of Para C(10)(b) of Schedule V to the Listing Regulations. Further, the Company has generally been in compliance with corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations except a continuing non-compliance pursuant to Regulation 24(1) of the Listing Regulations in so far as it relates to non-appointment of any of its Independent Directors on the respective Boards of its overseas material subsidiaries i.e. FHCPL and Lexon.

## Risk Assessment and Minimization Procedures

The Company's Board is conscious of the need to periodically undertake the risk assessment, and minimization procedures there-for. During the year under review, the Board in its meeting held on 28<sup>th</sup> May, 2019, had approved and adopted a 'Risk Analysis Report as of 31<sup>st</sup> March, 2019'. The said report outlined the mitigating factors in respect of various risk factors identified therein. This enabled the Board to assess that the Company had adequate 'Risk Assessment and Minimization Procedures' in place, and that these were working effectively.

The Board of Directors of the Company had desired to appoint an outside agency to undertake Evaluation of Risk Assessment and Management Systems of the Company as of 31<sup>st</sup> March, 2020. However, due to the ongoing uncertainties caused by the COVID-19 pandemic, the Company has been advised to wait for an appropriate time to make an assessment on the subject.

Your Directors are of the view that due to unprecedented prevailing circumstances, it will be appropriate to wait for normalcy before a judicious assessment on the subject could be made.

However, based on the market capitalization of the Company, the provisions relating to the formation of a Risk Management Committee are not applicable to the Company.

## Whistle Blower Policy/Vigil Mechanism

The Board of Directors of the Company had approved and adopted a 'Whistle Blower Policy' which is uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/WhistleBlowerPolicyeffective01042019.pdf>

The 'Whistle Blower Policy' provides that all employees and directors of the Company are eligible to make protected disclosures to the competent authority i.e. the Chairman of the Audit Committee with respect to any improper activity concerning the Company. The policy provides for direct access to the Chairman of the Audit Committee. During the year under review, neither any case was reported under the Whistle Blower Policy nor was anyone denied access to the said competent authority or the Audit Committee.

The details of establishment of the above vigil mechanism forms part of the Directors' Report.

## Code on Insider Trading/Fair Disclosures

The Board of Directors of the Company had approved and adopted code of conduct for prohibition of insider trading, namely 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders'.

'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders', inter-alia prohibits dealing in securities of the Company by designated persons who are in possession of unpublished price sensitive information in relation to the Company. The said Code lays down the procedures to be followed, and disclosures to be made while dealing in the securities of the Company. Further, in pursuance of Regulation 9A(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Insider Trading Regulations), the Board has also approved and adopted 'The Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information' which forms part of the said Code. The Company Secretary monitors the implementation and compliance of the same.

To align the said Code with the extant statutory and regulatory framework, the Board of Directors vide circular resolution approved on 25<sup>th</sup> December, 2019, amended the same and adopted it effective 26<sup>th</sup> December, 2019, by including the requisite provisions of Chapter IIIA of the Insider Trading Regulations.

'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information', as amended, and 'Policy for Determination of Legitimate Purposes', which forms part of the aforesaid Code, is uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/CodeofFairDisclosureeffective01042019.pdf>

## Disclosure on Accounting Treatment/Accounting Policies

There has been no change in the accounting policies and practices save as detailed in Notes to the Financial Statements. Further, there is no accounting matter/transaction wherein a treatment different from that prescribed in the extant Accounting Standards has been followed while preparing the financial statements for the year under review.

## Disclosure on Commodity Price Risk/Foreign Exchange Risk/Hedging Activities

The Company has not entered into any derivate contract during the year under review.

Details of un-hedged foreign currency exposure of the Company are given in Note 39 to the Stand-alone Financial Statements.

## CEO/CFO Certification

A certificate, in accordance with the requirements of Regulation 17(8) read with Part B of Schedule II to the Listing Regulations, duly signed by the Chairman & Managing Director and Vice President – Corporate Finance (being the Chief Financial Officer), in respect of the financial statements for the year under review was placed before the Board and was taken on record.

# ASIAN HOTELS (NORTH) LIMITED

## Total fees paid/payable to the Statutory Auditors

The details of total fees for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows:

Particulars	Amount (Rupees in Lacs including GST)
Fee for the statutory audit and limited reviews for the financial year 2019-20	33.04
Tax Audit Fee for the financial year 2019-20	4.72
Fee for Certification work, advisory & valuation and XBRL filing during the financial year 2019-20	1.88
Out of pocket expenses during the financial year 2019-20	1.15
Fees for the statutory audit for the financial year 2019-20 paid/payable by Leading Hotels Limited	2.36
<b>Total</b>	<b>43.15</b>

## Complaints pertaining to sexual harassment

During the year under review, no complaint was received in pursuance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Credit Ratings

The details of credit ratings obtained by the Company during the year under review are given below:

- Brickwork Ratings India Private Limited vide letter dated 24<sup>th</sup> May, 2019, accorded rating of 'BWR BB+', Outlook Stable [earlier BWR BBB, Outlook: Stable] in respect of bank loan facilities aggregating Rs. 439.45 crore;
- CRISIL Limited vide letter dated 3<sup>rd</sup> June, 2019, accorded rating of 'CRISIL B/Stable (Downgraded from CRISIL BBB-/Stable)' for bank loan facilities aggregating Rs. 410 crore; and
- Brickwork Ratings India Private Limited vide letter dated 20<sup>th</sup> March, 2020, accorded rating of 'BWR BB Negative', [earlier BWR BBB Outlook: Stable] for bank loan facilities aggregating Rs. 421.24 crore

## Certificate from a Company Secretary in Practice

M/s. Chandrasekaran Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

The aforesaid certificate is enclosed as **Annexure II** to this report.

## SHAREHOLDERS' INFORMATION

### Profile of Directors seeking appointment/re-appointment

Mr. Amrithesh Jatia, a Non- Executive and Promoter Director retires by rotation at the ensuing annual general meeting and being eligible, is proposed to be re-appointed.

Mr. Akhilesh Bhuwalka (DIN: 02764273), who was appointed as Additional Director under Section 161(1) of the Act on 18<sup>th</sup> June, 2020, holds office up to the date of the ensuing AGM, is proposed to be appointed as Non- Executive Director liable to retire by rotation pursuant to Section 160(1) of the Act.

Further, Ms. Preeti Gandhi (DIN: 08552404), who was appointed as Additional Director (categorized as an independent non-executive director) in pursuance of Section 161(1) read with Section 149(6) of the Act on 13<sup>th</sup> September, 2020, is proposed to be appointed as Independent Non-Executive Director for a continuous period of two years effective 13<sup>th</sup> September, 2020 pursuant to Section 149(6) of the Act.

Detailed profiles of the abovenamed Directors seeking appointment/re-appointment is given on page no. 9, as part of Notice convening the forthcoming annual general meeting in compliance with Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2).

### Means of Communication

Presently, the quarterly financial results are published in the Business Standard (English and Hindi). All official declarations, notices or news releases are first forwarded to the Stock Exchanges and, if considered necessary, subsequently released to the media. Further, all periodic statutory reports including the quarterly/half yearly/yearly financial results and other official news releases are uploaded on the Company's official website [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com)

### Annual General Meeting

Day, Date & Time : Thursday, the 24<sup>th</sup> December, 2020 at 11.30 a.m.  
Venue : The meeting shall be held through video conferencing or other audio visual means and the Company's registered office at Hyatt Regency Delhi, Bhikaiji Cama Place, M.G. Marg, New Delhi – 110 066 shall be the deemed venue of the meeting

# ASIAN HOTELS (NORTH) LIMITED

## Financial Year/Calendar

The Company follows 1<sup>st</sup> April to 31<sup>st</sup> March as its financial year.

The calendar for the current financial year 2020-21 is proposed as under:

Financial Reporting for the quarter ending 30 <sup>th</sup> June, 2020	On 13 <sup>th</sup> September, 2020
Financial Reporting for the half year ending 30 <sup>th</sup> September, 2020	On 12 <sup>th</sup> November, 2020
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2020	On or before 14 <sup>th</sup> February, 2021
Financial Reporting for the year ending 31 <sup>st</sup> March, 2021	On or before 30 <sup>th</sup> May, 2021

<b>Book Closure</b>	<b>From Saturday, the 19<sup>th</sup> December, 2020 to Thursday, the 24<sup>th</sup> December, 2020 (inclusive of both days)</b>
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## Dividend Payment Date

No dividend is proposed for the year under review.

## Listing on Stock Exchanges

### BSE Limited

Phiroz Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001; and

### The National Stock Exchange of India Limited

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051

The Company has paid up to date Annual Listing Fees to the respective Stock Exchanges.

During the year under review, there was no instance of suspension of trading in the Company's shares by the stock exchanges.

## Scrip Code/Scrip ID

BSE - 500023/ASIANHOTNR  
NSE - 233/ASIANHOTNR

## International Securities Identification Number

### (ISIN) for Equity shares

INE 363A01022

## Stock Market Data

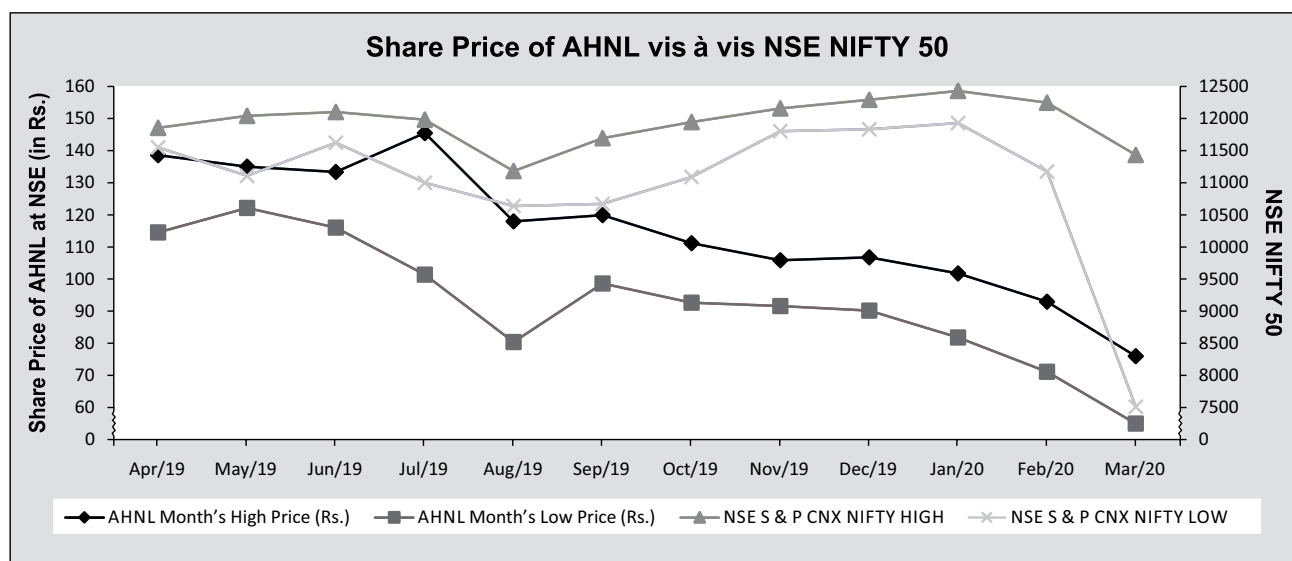
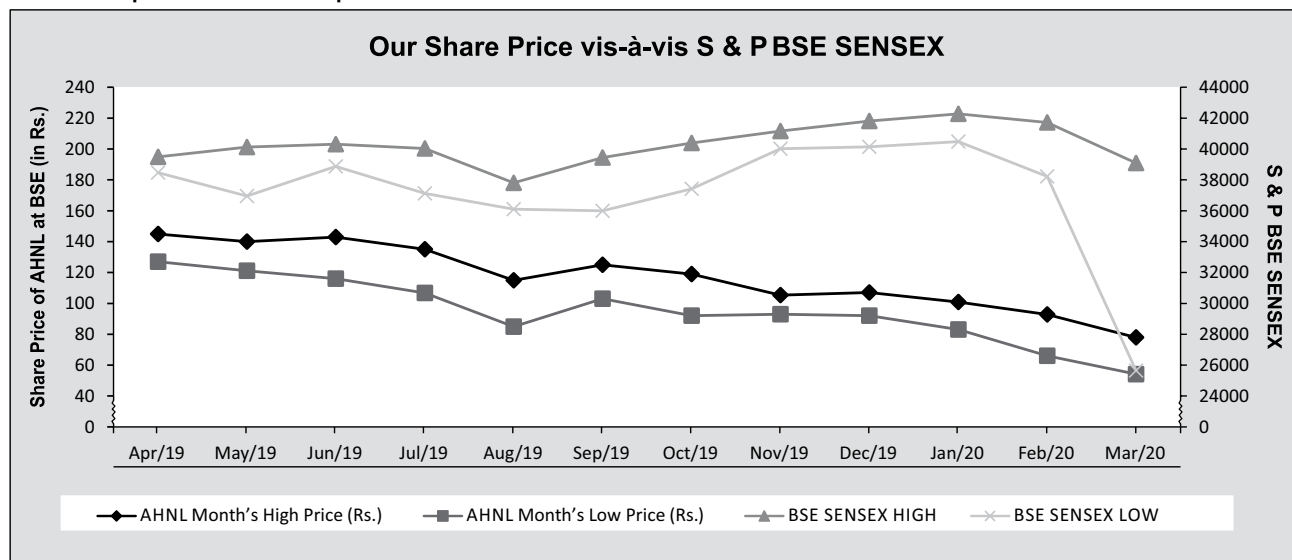
The monthly high and low quotations as well as the volume of shares traded at BSE Limited and The National Stock Exchange of India Limited are as follows:

Month	BSE Limited			The National Stock Exchange of India Limited		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)
Apr 2019	144.90	127.00	2162	138.60	114.50	22314
May 2019	140.00	121.10	4111	135.00	122.15	29697
Jun 2019	142.95	116.00	14746	133.35	116.00	22844
Jul 2019	135.00	106.70	5073	145.50	101.35	30174
Aug 2019	114.95	85.00	11600	118.00	80.35	35398
Sep 2019	125.00	103.00	6294	119.90	98.60	66162
Oct 2019	118.90	92.05	3712	111.15	92.60	27285
Nov 2019	105.30	93.00	3439	105.90	91.60	19877
Dec 2019	107.00	92.05	5927	106.75	90.15	34066
Jan 2020	100.90	83.10	20562	101.75	81.80	121198
Feb 2020	92.80	66.00	4980	92.95	71.10	105636
Mar 2020	77.90	54.20	270078	75.95	54.95	2657236

Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

# ASIAN HOTELS (NORTH) LIMITED

Share Price performance in comparison to S & P BSE SENSEX & NSE NIFTY 50



## Distribution of shareholders

Number of equity shares held	As on 31 <sup>st</sup> March, 2020				As on 31 <sup>st</sup> March, 2019			
	No. of Shareholders	% of Total Shareholders	Number of shares held	% Share holding	No. of Shareholders	% of Total Shareholders	No. of shares held	% Share holding
Up-to 500	11117	96.19	622857	3.20	11579	96.39	651161	3.35
501 – 1000	223	1.93	160644	0.83	222	1.85	160829	0.83
1001 – 2000	89	0.77	125217	0.64	95	0.79	134168	0.69
2001 – 3000	32	0.28	78590	0.40	32	0.27	79219	0.41
3001 – 4000	15	0.13	51954	0.27	15	0.12	53084	0.27
4001 – 5000	4	0.04	18309	0.10	5	0.04	23309	0.12
5001 – 10000	20	0.17	158298	0.81	17	0.14	136435	0.70
10001 – above	57	0.49	18237360	93.75	48	0.40	18215024	93.63
<b>TOTAL</b>	<b>11557</b>	<b>100</b>	<b>19453229</b>	<b>100</b>	<b>12013</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>

# ASIAN HOTELS (NORTH) LIMITED

## Category wise shareholding

CATEGORY	As on 31 <sup>st</sup> March, 2020		As on 31 <sup>st</sup> March, 2019	
	No. of shares held	% of shareholding	No. of shares held	% of shareholding
<b>A. Promoters Shareholding</b>				
- Indian	1704591	8.76	4270691	21.95
- Foreign	9830025	50.53	9830025	50.53
<b>Total Promoters shareholding</b>	<b>11534616</b>	<b>59.29</b>	<b>14100716</b>	<b>72.49</b>
<b>B. Public Shareholding</b>				
- Mutual Funds/Financial Institutions/Banks and Insurance Companies	25997	0.13	25997	0.13
- FIIs	2714	0.01	2714	0.01
- NRIs -repatriable basis	1100281	5.66	1072521	5.51
- non-repatriable basis	55335	0.29	14789	0.08
- Bodies Corporate (Domestic)	2829674	14.55	734470	3.78
- Bodies Corporate (Foreign)	690802	3.55	690802	3.55
- Individuals (Indian Public)	2753898	14.16	2692968	13.84
- Clearing Members	333389	1.71	336	0.00
Investor Education and Protection Fund	125123	0.64	116516	0.60
Shares in Unclaimed Suspense A/c #	1400	0.01	1400	0.01
<b>Total Public shareholding</b>	<b>7918613</b>	<b>40.71</b>	<b>5352513</b>	<b>27.51</b>
<b>GRAND TOTAL*</b>	<b>19453229</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>

#These shares relate to a single shareholder and are lying in the Unclaimed Suspense Account in terms of Clause 5A of the erstwhile Listing Agreement. There was no claim received or settled during the year under review. Voting rights on these shares are frozen and shall continue to be frozen until claimed by the rightful owner. Moreover, these shares are liable to be transferred to IEPF in November 2020.

\*There are no outstanding warrants/depository receipts/convertible instruments which may have impact on the equity.

## Share Transfer System

To expedite the transfer of shares in physical form, authority has been delegated at two levels:

- i) Stakeholders' Relationship Committee comprising of Directors; and
- ii) Executive Share Transfer Committee comprising of executives of the Company.

During the year under review, the transfer/transmission of shares and deletion of names etc. received in physical form was given effect to on a weekly basis to ensure compliance with the Listing Regulations.

Securities and Exchange Board of India ("SEBI") has mandated that effective 1st April, 2019, securities of listed companies can be transferred only in dematerialized form, and accordingly, the Company and its RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to dematerialize their securities.

## Share Transfer Agent

KFin Technologies Private Limited  
 ( Previously known as Karvy Fintech Pvt. Ltd.)  
 Selenium Tower B, Plot Number 31 & 32  
 Financial District, Nanakramguda  
 Serilingampally Mandal, Hyderabad – 500 032  
 Tel: 91-40-67162222  
 www.kfintech.com  
 e-mail : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## Dematerialization of Shares/liquidity

19280160 shares (equivalent to 99.11%) of the total outstanding shares of the Company are held in dematerialized form as on 31<sup>st</sup> March, 2020. During the year under review, the Company's shares were frequently traded in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

## Dividend Information

The Company keeps uploading regularly, on its website as also on the website of the Ministry of Corporate Affairs, Government of India (MCA), complete details of unpaid/unclaimed dividends from time to time. Further, in an endeavor to serve its shareholders, the Company has been notifying the shareholders about the dividends which remain unpaid/unclaimed, by sending them individual reminders from time to time.



# ASIAN HOTELS (NORTH) LIMITED

Any amount described under Section 125(2) of the Act, including dividend, which remains unpaid/unclaimed for a period of seven years from the date of transfer to unclaimed dividend account is required to be transferred by the Company in accordance with the provisions of Section 124(5) of the Act, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, during the year under review, the unpaid/unclaimed dividend for the financial year 2011-12 was transferred to the IEPF.

Further, Section 124(6) of the Act requires that all shares in respect of which dividend has been unpaid/unclaimed for a period of seven consecutive years shall also be transferred to IEPF. Accordingly, 8650 equity shares held by 178 beneficial owners/shareholders of the Company in respect of which dividend for the relevant financial year ended 31<sup>st</sup> March, 2012 remained unpaid/unclaimed consecutively for a period of seven years up-to 25<sup>th</sup> October, 2019, were transferred to IEPF Authority in accordance with Section 124(6) of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended or re-stated from time to time (the IEPF Rules).

In addition to the above, the unpaid/unclaimed dividend for the financial year 2012-13 also became liable to be transferred to the IEPF Authority on 30<sup>th</sup> October, 2020, and the Company is in the process of transferring the same to IEPF Authority. Accordingly, based on the unpaid/unclaimed dividend for the year ended 31<sup>st</sup> March, 2013, which remained unpaid/unclaimed consecutively for a period of seven years up to 30<sup>th</sup> October, 2020, the Company has also ascertained that 17742 shares are unclaimed, and therefore are liable to be transferred to the IEPF Authority on or before 29<sup>th</sup> November, 2020.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed, to the Company along with requisite documents enumerated in the Form No. IEPF-5.

**Attention of the members is therefore drawn to the fact that unpaid/unclaimed dividend pertaining to the financial year ended 31<sup>st</sup> March, 2014 is due for transfer to the IEPF, and therefore, any claim in respect thereof should be lodged as advised below failing which shares relating thereto shall be liable to be transferred to the IEPF Authority:**

Unpaid/Unclaimed Amount*	Due date for transfer to IEPF Authority	Date by which claim should be lodged
Dividend for the financial year ended 31 <sup>st</sup> March, 2014	31.10.2021	20.10.2021

\*No dividend has been paid by the Company for the FY 2014-15 onwards

Shareholders are advised to write to the Company or to the Registrar & Transfer Agent requesting for fresh warrants by providing details of their Folio No./Client ID, No. of shares held by them etc. enclosing a signed cancelled cheque, self attested copy of PAN and proof of address.

**Further, the members' attention is also drawn that shares in respect of which dividend remains unpaid/unclaimed for the financial year ended 31<sup>st</sup> March, 2014 up to the due date of 31<sup>st</sup> October, 2021, shall also be liable for transfer to IEPF Authority, in accordance with the aforesaid provisions.**

## Plant Location

The Company primarily operates in one business segment i.e. Hospitality/Hotel Operations, and presently owns only one five-star deluxe hotel, namely

### HOTEL HYATT REGENCY DELHI

Bhikaiji Cama Place,  
M. G. Marg, New Delhi -110 066

## Address for Correspondence

The investors may forward their queries to the Company at its registered office address given below. However, queries pertaining to shareholding, transfer, transmission, dividend etc., may be addressed directly to the Registrar & Transfer Agent.

## Registered Office

### ASIAN HOTELS (NORTH) LIMITED

Bhikaiji Cama Place, M. G. Marg,  
New Delhi – 110 066  
Telephone No.: 91 11 66771225-1226  
Fax No.: 91 11 26791033  
Email Id.: [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com)

<b>Adoption of Discretionary Requirements as specified in sub-regulation 1 of Regulation 27 read with Part E of Schedule II to the Listing Regulations</b>	<p>The Company has an Executive Chairperson in Mr. Shiv Kumar Jatia who is Chairman &amp; Managing Director.</p> <p>The Company has so far not implemented the non-mandatory requirement of sending half yearly financial performance including summary of significant events to each household of shareholders, as specified in sub regulation 1 of Regulation 27 read with Part E of Schedule II to the Listing Regulations.</p> <p>The Company is conscious of the modified opinion expressed by its Auditors and Secretarial Auditors, and is making concerted efforts to correct the position.</p> <p>The Internal Auditors of the Company report directly to the Audit Committee and present their reports at its meetings.</p>
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# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE I TO THE CORPORATE GOVERNANCE REPORT

Date: 12<sup>th</sup> November, 2020

The Board of Directors  
Asian Hotels (North) Limited  
Bhikaiji Cama Place  
M.G. Marg  
New Delhi – 110 066

**Subject: Code of Conduct – Declaration under Para D of Schedule V and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations)**

Dear Sirs/Madam,

This is to certify that pursuant to Para D of Schedule V and other applicable regulations of the Listing Regulations, the Board of Directors has adopted a Code of Conduct for its members and senior management personnel and that all concerned have affirmed having complied with the said Code of Conduct for the financial year ended 31<sup>st</sup> March, 2020.

**SHIV KUMAR JATIA**  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00006187

## ANNEXURE II TO THE CORPORATE GOVERNANCE REPORT

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**Asian Hotels (North) Limited**  
Bhikaiji Cama Place, M. G. Marg  
New Delhi - 110066

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Asian Hotels (North) Limited and having CIN L55101DL1980PLC011037 and having registered office at Bhikaiji Cama Place, M. G. Marg New Delhi - 110066 (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status\* at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 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:

S. No.	Name of Directors	DIN	Date of appointment in Company
1	Lalit Bhasin	00001607	24/05/2000
2	Shiv Kumar Jatia	00006187	06/12/1980
3	Dinesh Chandra Kothari	00195609	12/02/2010
4	Ranjan Kishore Bhattacharya	00331394	05/02/2017
5	Pinaki Misra	00568348	27/05/2016
6	Dipendra Bharat Goenka	01969285	12/02/2019 (Ceased w.e.f. 30/04/2020)
7	Anita Thapar	02171074	28/05/2015
8	Amritesh Jatia*	02781300	05/12/2016

**\*DIN status of Mr. Amritesh Jatia (DIN: 02781300) is deactivated at the MCA portal i.e. [www.mca.gov.in](http://www.mca.gov.in) due to non-filing of DIR-3 KYC.**

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

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. 16302  
Certificate of Practice No. 5673  
UDIN:A016302B000510444

Date: 27.07.2020  
Place: Delhi

# ASIAN HOTELS (NORTH) LIMITED

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## ANNEXURE 'F' FORMING PART OF THE DIRECTORS' REPORT

### AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of  
Asian Hotels (North) Limited,

We have examined the compliance of conditions of Corporate Governance by Asian Hotels (North) Limited, for the year ended 31st March, 2020 as per the Regulations 17 to 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and amendments thereof.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (incl. any amendment thereof) read with Uniform Listing Agreement executed by the Company with the Stock Exchanges.

We 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, Dhirubhai Shah & Co LLP  
Chartered Accountants  
Firm Registration Number: 102511W/W100298

Date: 12/11/2020  
Place: Ahmedabad

Kaushik D Shah  
Partner  
Membership Number: 016502  
ICAI UDIN: 20016502AAAAAU4704

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'G' FORMING PART OF THE DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

**The brief outline of the Company's CSR Policy forms part of the Directors' Report and the Company's CSR Policy is uploaded on the website of the Company under the web-link**

<http://www.asianhotelsnorth.com/pdf/CorporateSocialResponsibilityPolicyeffective01042019.pdf>

2. The composition of the CSR Committee:

**Mr. Shiv Kumar Jatia, Chairman & Managing Director (Chairman of the Committee)**

**Dr. Lalit Bhasin, Independent Non-Executive Director**

**Mr. Dinesh Chandra Kothari, Independent Non-Executive Director**

**Mr. Pinaki Misra, Independent Non-Executive Director**

3. Average net profit of the Company for the last three financial years (preceding the financial year under review): **Not Applicable since the average net profit for the last three financial years (preceding the financial year under review) is negative.**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **Nil**

5. Details of CSR spent during the financial year 2019-20:

(a) Total amount to be spent for the financial year: **Nil**

(b) Amount unspent, if any, for the financial year: **Not Applicable**

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
<b>Not Applicable</b>							

(d) Details of the implementing agency: **Not Applicable**

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Directors' Report:

**Not applicable, since the average net profit for the three financial years from 2016-17 to 2018-19 worked out to be negative, the Company was not obliged to make any contribution towards CSR activities for the financial year 2019-20.**

7. Responsibility Statement by the Corporate Social Responsibility Committee:

**The implementation and monitoring of CSR Policy is compliant vis-a-vis CSR objectives and Policy of the Company.**

**For and on behalf of the Board**

**Shiv Kumar Jatia**

Chairman & Managing Director  
Also as Chairman, CSR Committee  
DIN: 00006187

Place: New Delhi  
Dated: 12<sup>th</sup> August, 2020

# ASIAN HOTELS (NORTH) LIMITED

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## Independent Auditor's Report

### To the Members of Asian Hotels (North) Limited

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

##### Opinion

We have audited the accompanying standalone financial statements of Asian Hotels (North) Limited ("the Company"), which comprises of the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), and the Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the state of affairs as at 31 March 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone financial statements:

- A. Refer Note 33 (b), (d) & (e) which, describe the uncertainty related to the outcome of certain disputes and law-suits filed against the Company. The impact (if any) of these disputes/law-suits on the standalone financial statements of the Company could not be ascertained.
- B. Refer Note 40 with reference to implications of Covid-19 pandemic. The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there appears to be significant disruptions in the business of the company going forward amidst the continuity of the Covid-19 pandemic and the industry in which the Company operates continues to see a sluggish outlook in most part of the year 2020-21.

The impact of coronavirus on the Company's business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries, among others. A definitive assessment of the impact is not possible in view of the high uncertain economic environment and the scenario is still evolving. The Company has evaluated its liquidity position and recoverability and carrying values of its assets and changes in financial risks such as credit risk, liquidity risk, currency risk and other price risk, and changes in objectives, policies and processes for managing those risks are expected. Evaluation of management's assessment around going concern revolves around at a minimum involve, evaluation of reliability of cash flow forecast prepared by the management considering change in economic environment, management's plan for future actions and assessing its feasibility in the circumstances.

Considering the projections made by the Company management, it appears that the COVID-19 scenario has pegged back the cash flows of the company significantly because of the lockdown situation in the hospitality sector in most period of the Q1 of FY 2020-21 and further the grim situation of cash flows from the projections made by the management for FY 2020-21 as also the ability to access cash in other ways such as from government payments, factoring receivables or supplier financing and reductions in the employees' emoluments across the board are the negative indicators hinting towards a dull year for the Company.

In view of Company's assessment check on the operations of the company, there appears to be a huge implications on the financials of the company in the short term scenario say for the year 2020-21.

Our opinion is not modified in respect of the above said matters.

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

##### 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.

# ASIAN HOTELS (NORTH) LIMITED

Key Audit Matter Description	Response to Key Audit Matter
<p><b>A. Assessment of:</b></p> <p>a) Impairment of carrying value of investments in a subsidiary</p> <p>Refer note 5 to the financial statements of the Company.</p> <ul style="list-style-type: none"> <li>- The Company has investments (net) of Rs. 56,585.12 Lakhs in equity and preference shares of Finline Hospitality &amp; Consultancy Pte Ltd, Mauritius (“FHCPL”), a subsidiary, (“investments in subsidiary”) as at 31st March, 2020. FHCPL has a further step-down subsidiary named Lexon Hotel Ventures Limited, Mauritius (“Lexon”) wherein FHCPL holds 80% shares. Lexon has named further step down subsidiary ne Leading Hotels Limited (“LHL”), being ultimate subsidiary of the company wherein the company establishes significant equity control.</li> <li>- The total exposure of the Company in respect of above is significant to the standalone financial statements of the Company.</li> <li>- Considering the current financial position and status of the project of one of the subsidiaries “LHL”, there are indications of potential impairment of the equity investments in subsidiary as set out in above paragraphs.</li> <li>- The Management has assessed the impairment of its investments in its subsidiary using the business forecasts of “LHL” applying the Discounted Cash Flow Method of valuation (the “model”) and noted that at present there is no requirement for making any provision for impairment in respect of these investments.</li> <li>- We considered this as a key audit matter due to significant judgement involved in considering the impairment implications if any based on our review of present situation of the project as on date of signing, the valuation reports submitted by the Independent Valuers to support the carrying value of above investments, significant assumptions used for arriving at the valuations such as discount rate, terminal growth rate, etc. adopted in the model.</li> </ul>	<p><b>Principal Audit Procedures</b></p> <p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of the Company’s controls over review of impairment assessment of investments in subsidiary;</li> <li>• In respect of impairment assessment of investments in subsidiary (LHL): <ul style="list-style-type: none"> <li>(i) Testing the mathematical accuracy of the underlying model and checking the impairment assessment prepared by the management;</li> <li>(ii) Comparing the business forecasts with the latest approved management approved budgets;</li> <li>(iii) Considered the work of external independent valuation expert engaged by the Company;</li> <li>(iv) Performed audit procedures for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as Discount rates, terminal growth rate etc.;</li> <li>(v) Assessed the independent valuation expert’s methods and working;</li> <li>(vi) Examined and assessed the Land Valuation report obtained from the Registered valuer appointed by the management;</li> <li>(vii) Verified the terms of the non-binding agreement entered in to by the Company with the investor along with condition precedents attached thereto for assessing the underlying value of the investment</li> <li>(viii) Reviewed the fund raising plans i.e. sanction letter from NBFC’s for the additional funding requirement for assessing the continuity and viability of the project</li> </ul> </li> </ul> <p>Based on the above procedures performed, we noted that the Management’s assessment of impairment of investments based on valuation reports received in subsidiary “FHCPL” is reasonable.</p>
<p><b>B. Assessment of recoverability of Deferred Tax Assets recognized on tax losses (Refer Note 8 to the Financial Statements.)</b></p> <ul style="list-style-type: none"> <li>- The Company has recognised deferred tax assets on unabsorbed depreciation and deductions based on actual payments (together hereinafter referred to as “tax losses”) carried forward from the previous years as well as current year losses. The assets have been recognised on the basis of the Company’s assessment of availability of future taxable profit to offset such tax losses based on business projections for the future years.</li> <li>- The recoverability of the deferred tax assets depends upon factors such as the projected taxable profitability of business and the period considered for such projections, the rate at which those profits will be taxed and the period over which tax losses will be available for recovery.</li> </ul> <p>This was considered as a key audit matter as the amount is material to the financial statements and significant judgement in key assumptions was required by the Company’s Management in the preparation of forecasts of future taxable profits based on the underlying business plans.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>(i) Evaluation of the design and testing pertaining to effectiveness of Company’s controls relating to taxation and the assessment of carrying amount of deferred tax assets relating to unabsorbed tax losses;</li> <li>(ii) Assessing the reasonableness of the period of projections used in the deferred tax asset recoverability assessment considering that the Company operates in a highly competitive industry which is subject to disruptions through changing macro scenario;</li> <li>(iii) Comparing the Company’s performance for the year with the approved budget to assess the reasonableness of the assumptions;</li> <li>(iv) Comparing the Company’s projections of future taxable profit to the approved business plans;</li> <li>(v) Testing, whether projections prepared were consistent with our understanding and knowledge of current business and the general economic environment in which the Company operates and whether the tax losses can be utilized within the forecast recoupment period;</li> <li>(vi) Testing the assumptions used by analyzing the impact on taxable profit using different growth rates and profit margins;</li> <li>(vii) Reviewing the adequacy of disclosures made in the financial statements with regard to deferred taxes.</li> </ul> <p>Based on the above procedures performed, our testing did not identify any material exceptions with respect to the reasonability of the assumptions and estimates used by the management in assessing the recoverability of Deferred Tax Asset recognised in respect of tax Losses.</p>

## **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to

# ASIAN HOTELS (NORTH) LIMITED

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evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 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 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards 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 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 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, wherever necessary, of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements;
- ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Dhirubhai Shah & Co LLP**

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

UDIN: 20016502AAAAAL4630

Place: Ahmedabad

Date: 12<sup>th</sup> August, 2020



# ASIAN HOTELS (NORTH) LIMITED

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of Asian Hotels (North) Limited ("the Company") on the standalone financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of its fixed assets. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') except certain advance for expenses/trade receivables recoverable in the normal course of business and therefore, the provisions of clauses (iii)(a), (iii)(b) & (iii)(c) of the Order are not applicable to the 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 not accepted any deposits covered by the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other statutory dues with the appropriate authorities except stray cases of deposition of GST, TDS, PF and VAT.

According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and records of the company examined by us, the following dues of income tax and duty of excise as at March 31, 2020 which have not been deposited by the Company on account of any disputes.

Nature of Statute	Year to which it relates	Amount unpaid (excluding interest) (Rs. In Lakhs)	Forum where dispute is pending
Finance Act, 1994 (Service Tax)	2002-2007	250 Lakhs	Customs, Excise and Service Tax Appellate Tribunal, New Delhi

- (viii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to any financial institution, banks and government. There are no debenture holders of the company.
- (ix) The Company didn't raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanation given to us, the term loans were applied for the purposes for which loans were raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that 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 Ind AS.

# ASIAN HOTELS (NORTH) LIMITED

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- (xiv) According to the information and explanations give 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 years.
- (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 Dhirubhai Shah & Co LLP**

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

UDIN: 20016502AAAAAL4630

Place: Ahmedabad

Date: 12<sup>th</sup> August, 2020

# ASIAN HOTELS (NORTH) LIMITED

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## **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 Asian Hotels (North) Limited ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

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

*For Dhirubhai Shah & Co LLP*

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

UDIN: 20016502AAAAAL4630

Place: Ahmedabad

Date: 12<sup>th</sup> August, 2020

# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> MARCH, 2020

	Note No.	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4	1,09,619.18	1,12,892.74
(b) Capital Work in Progress	4	147.83	94.69
(c) Financial Assets			
(i) Investments	5	57,361.16	56,727.66
(ii) Loans	6	40.55	47.72
(iii) Others	7	457.54	327.10
(d) Deferred Tax Assets (Net)	8	3,857.37	2,775.37
(e) Other Non-Current Assets	9	1,473.85	1,670.31
		<u>1,72,957.48</u>	<u>1,74,535.59</u>
<b>CURRENT ASSETS</b>			
(a) Inventories	10	1,032.85	1,126.80
(b) Financial Assets			
(i) Trade Receivables	11	1,283.87	1,666.23
(ii) Cash and Cash Equivalents	12	193.63	506.40
(iii) Bank Balance other than (ii) above	13	4.55	7.28
(iv) Others	14	3,661.02	3,737.64
(c) Other Current Assets	15	243.35	320.63
		<u>6,419.27</u>	<u>7,364.98</u>
<b>TOTAL ASSETS</b>		<u><u>1,79,376.75</u></u>	<u><u>1,81,900.57</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	1,945.32	1,945.32
(b) Other Equity	17	62,366.22	68,668.16
		<u>64,311.54</u>	<u>70,613.48</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	81,526.31	83,141.61
(ii) Other Financial Liabilities	19	1,909.43	1,823.78
(b) Provisions	20	421.36	451.80
		<u>83,857.10</u>	<u>85,417.19</u>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	10,475.21	8,011.50
(ii) Trade Payables	22	8,230.36	6,232.02
(iii) Other Financial Liabilities	23	1,734.36	1,745.10
(b) Other Current Liabilities	24	10,455.46	9,609.10
(c) Provisions	25	312.72	272.18
		<u>31,208.11</u>	<u>25,869.90</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>1,79,376.75</u></u>	<u><u>1,81,900.57</u></u>

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3

The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: Ahmedabad

Dated: 12<sup>th</sup> August, 2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

	Note No.	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>INCOME</b>			
Revenue from operations	26	25,239.39	27,352.28
Other income	27	1,455.99	815.98
<b>TOTAL INCOME</b>		<b>26,695.38</b>	<b>28,168.26</b>
<b>EXPENSES</b>			
Consumption of provisions, beverages, smokes and others	28	3,672.19	3,866.81
Employee benefits expense	29	6,912.36	6,523.69
Finance Costs	30	12,546.50	11,312.92
Depreciation and amortization expenses	4	1,793.24	1,926.03
Other expenses	31	9,166.24	8,746.51
<b>TOTAL EXPENSES</b>		<b>34,090.53</b>	<b>32,375.96</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(7,395.15)</b>	<b>(4,207.70)</b>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<b>(7,395.15)</b>	<b>(4,207.70)</b>
Tax items			
Current tax			-
Earlier years tax provisions (written back)		-	34.49
Deferred tax asset / (liability)		1,082.00	895.66
Total tax items		1,082.00	930.15
<b>Profit/(Loss) for the year</b>		<b>(6,313.15)</b>	<b>(3,277.55)</b>
<b>Other Comprehensive Income / (Loss)</b>			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		11.25	17.31
Additional depreciation on account of revaluation		-	-
<b>Other Comprehensive Income for the year / (Loss)</b>		<b>11.25</b>	<b>17.31</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>(6,301.90)</b>	<b>(3,260.24)</b>
<b>Earning Per Equity Share (Basic and Diluted) (In Rs.)</b>	32	<b>(32.45)</b>	<b>(16.85)</b>

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3

The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: Ahmedabad

Dated: 12<sup>th</sup> August, 2020

ON BEHALF OF THE BOARD OF DIRECTORS

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

	2019-20 Rs. In Lakhs	2018-19 Rs. In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) Before Tax</b>	<b>(7,395.15)</b>	<b>(4,207.70)</b>
Adjustments for:		
Depreciation and amortization	1,793.24	1,926.03
Interest and finance charges	12,546.50	11,312.92
Interest income	(2.05)	(140.95)
(Gain)/Loss on fixed assets sold/ discarded (net)	(731.87)	(183.45)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	1,214.47	864.51
Bad debts / advances written off	-	-
Provision for bad & doubtful debts/advances (written back)	6.45	0.07
Excess Provisions / Liability no longer required written back	(44.62)	(27.19)
Non-operating Income	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>7,386.97</b>	<b>9,544.24</b>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	409.28	(1,571.56)
(Increase)/decrease in inventories	93.95	34.55
Increase/(decrease) in trade payables, other liabilities and provisions	2,805.57	2,521.22
<b>Cash Generated from Operations</b>	<b>10,695.77</b>	<b>10,528.45</b>
Income taxes paid	196.46	(414.49)
<b>Net Cashflow from Operating Activities</b>	<b>10,892.23</b>	<b>10,113.96</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(152.94)	(325.65)
Additions in capital work in progress	(53.14)	(64.24)
Proceeds from sale of fixed assets	2,365.14	662.85
Investments in bank deposits (with original maturity over 3 months)	-	-
Proceeds from bank deposits (with original maturity over 3 months)	-	328.00
Interest received	2.05	140.95
Investment in shares	-	-
Non-operating Income	-	-
<b>Net Cashflow from Investing Activities</b>	<b>2,161.10</b>	<b>741.91</b>

# ASIAN HOTELS (NORTH) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

	2019-20 Rs. In Lakhs	2018-19 Rs. In Lakhs
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings		
Receipts	150.00	206.92
Payments	(3,124.21)	(1,241.82)
Proceeds from short term borrowings		
Receipts	4,886.39	4,937.82
Payments	(3,094.00)	(3,687.50)
Interest and finance charges	(12,184.28)	(11,160.47)
<b>Net Cashflow from Financing Activities</b>	<b>(13,366.10)</b>	<b>(10,945.05)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(312.77)</b>	<b>(89.17)</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>506.40</b>	<b>595.57</b>
<b>Cash and bank balances at the end of the year</b>	<b>193.63</b>	<b>506.40</b>

### NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

DETAIL OF CASH AND CASH EQUIVALENTS	As at 31-03-2020 Rs. In Lakhs	As at 31-03-2019 Rs. In Lakhs
Balances with banks		
In current accounts	175.89	490.31
In Bank OD	7.28	-
Cash on hand	10.46	16.09
Cheque on hand	-	-
	<b>193.63</b>	<b>506.40</b>

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

**Place: Ahmedabad**

**Dated: 12<sup>th</sup> August, 2020**

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

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(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

### (A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2020

(Rs. In Lakhs)

Balance as at 1st April, 2019	Changes during the year	Balance as at 31st March, 2020
1,945.32	-	1,945.32

For the year ended 31st March, 2019

(Rs. In Lakhs)

Balance as at 1st April, 2018	Changes during the year	Balance as at 31st March, 2019
1,945.32	-	1,945.32

### (B) OTHER EQUITY

For the year ended 31st March, 2020

Particulars	Capital Reserve	General Reserve	Capital Redemption Reserve	Security Premium Account	Revaluation Reserve	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2019	1.41	8,863.57	990.00	32,994.83	-	25,266.93	551.38	68,668.16
Profit/(Loss) for the year	-	-	-	-	-	(6,313.15)	-	(6,313.15)
Transfer from / to	-	-	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year								-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	11.25	11.25
<b>Balance as at 31st March, 2020</b>	<b>1.41</b>	<b>8,863.57</b>	<b>990.00</b>	<b>32,994.83</b>	<b>-</b>	<b>18,953.78</b>	<b>562.63</b>	<b>62,366.22</b>

For the year ended 31st March, 2019

Particulars	Capital Reserve	General Reserve	Capital Redemption Reserve	Security Premium Account	Revaluation Reserve	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2018	1.41	8,863.57	990.00	32,994.83	-	28,544.52	534.07	72,137.77
Profit/(Loss) for the year	-	-	-	-	-	(3,277.55)	-	(3,277.55)
Transfer from / to	-	-	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year								-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	17.31	-
<b>Balance as at 31st March, 2019</b>	<b>1.41</b>	<b>8,863.57</b>	<b>990.00</b>	<b>32,994.83</b>	<b>-</b>	<b>25,266.97</b>	<b>551.38</b>	<b>68,668.16</b>

“As per our report of even date attached”

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: Ahmedabad

Dated: 12<sup>th</sup> August, 2020

ON BEHALF OF THE BOARD OF DIRECTORS

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Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224



# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 1. CORPORATE INFORMATION

Asian Hotels (North) Limited ("the Company") is a public limited company domiciled in India and is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company is operating a Five Star Deluxe Hotel, namely Hyatt Regency in Delhi since 1982.

### 2. BASIS OF PREPARATION

For the year ended 31st March 2020, the Company has prepared its financial statements in accordance with the Indian Accounting Standards notified under Section 133 of the companies Act 2013, read together with Companies (Accounts) Rules 2014 (Ind AS). The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities which have been measured at fair value, defined benefits plans and contingent consideration. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

#### Current versus non-current classification

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

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period, or
- d. 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:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

### 2A. USE OF ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets – Refer accounting policies - 3.1
- c) Estimation of defined benefit obligation – Refer accounting policies - 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
- e) Recognition of revenue - Refer accounting policies - 3.4
- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policies - 3.9
- g) Impairment of financial assets – Refer accounting policies - 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at original cost (including any revalued amount) net of tax / duty credit availed, less accumulated depreciation, and accumulated and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

##### Tangible Fixed Assets:

- (a) Depreciation is charged using straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II to the Act) of the cost of the assets is used for the purpose of calculating the depreciation charge. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods.
- (b) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (c) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve and credited to the Other Comprehensive Income based on guidance provided by "Application Guide on the Provisions of Schedule II to the Companies Act, 2013" issued by the Institute of Chartered Accountants of India read with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2016 as amended by the Companies (Indian Accounting standards) (Amendment) Rules, 2016.
- (d) No depreciation is charged on the assets sold/ discarded during the year.
- (e) On transition to Ind AS, the Company had elected to measure its Property, Plant and Equipment at cost as per Ind AS. Further, as per the requirement of paragraph 11 of Ind AS 101, outstanding amount in the revaluation reserve is transferred to retained earning account. This is because after transition, the Company is no longer applying the revaluation model of Ind AS 16, instead it has elected to apply the cost model approach.

##### Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

##### Capital Work- in- progress:

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period.

#### 3.2 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flow projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

In respect of the subsidiaries assets at each balance sheet date, the impairment testing is based on the realizable value of underlying assets as tested by the Board of Directors of the subsidiary.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

#### 3.3 Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

##### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

##### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

##### Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that give rise to the translation difference (i.e. translation difference on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

#### 3.4 Revenue recognition

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

- (i) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer or the agreed milestones are achieved and are net of service tax and Goods and Service Tax (GST), wherever applicable.
- (ii) For all debt instruments measured either at amortized cost or at fair value through other comprehensive income [OCI], interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. 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.
- (iii) Dividend income from investments is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.
- (iv) Income from generation of electricity is recognized when the actual generated units are transferred and billed to the buyer.
- (v) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### 3.5 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.

##### A. Financial Assets

###### a. Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Company settle commits to purchase or sell the asset.

###### b. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

###### i. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- 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 effective interest rate [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 Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

###### ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- 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 other comprehensive income [OCI]. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

###### iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

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. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

###### iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has made such election on an instrument by- 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 instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### c. Derecognition:

A financial asset is primarily derecognized when:

- i. 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.
- ii. the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

#### d. 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:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b. Trade receivables or any contractual right to receive cash
- c. Financial assets that are debt instruments and are measured as at FVTOCI
- d. Lease receivables under Ind AS 17
- e. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c and d provided above. The application of simplified approach requires the company to recognize the 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.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### B. Financial liabilities:

##### a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### b. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

##### i. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### ii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. 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 as finance costs in the statement of profit and loss.

##### iii. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

##### c. 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.

#### C. Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 3.6 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

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

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

### 3.7 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost is determined by weighted average method. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

### 3.8 Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

- (i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. There is no obligation other than the contribution payable to the respective fund.
- (ii) The Company also provides for retirement benefits in the form of gratuity and compensated absences/ Leave encashment in pursuance of the Company leave rules. The Company's liability towards such defined benefit plans are determined based on valuations as at the Balance Sheet date made by independent actuaries. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset

### 3.9 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the company will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

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

Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

#### 3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the company during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

#### 3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

#### 3.12 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.



## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### 3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 3.14 Leases

The determination of whether an arrangement is [or contains] a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

- A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- Lease other than finance lease are operating lease and these leased assets are not recognized in the company's statement of financial position but are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the primary period of the lease unless another systematic basis is more representative of the time pattern of the user's benefit.

#### 3.15 Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 4 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Furniture, Fixtures and Furnishing	Plant and Equipments	Office Equipment	Computers	Vehicles	Total	Capital Work-In progress
<b>Cost:</b>									
As at 31st March, 2018	80,074.28	27,906.90	7,795.70	15,167.61	52.69	451.44	1,351.90	1,32,800.52	191.02
Additions	-	89.34	37.07	286.68	0.95	29.07	43.11	486.22	64.24
Disposals / transfers	-	324.08	47.05	112.20	-	-	236.09	719.42	160.57
As at 31st March, 2019	<b>80,074.28</b>	<b>27,672.16</b>	<b>7,785.73</b>	<b>15,342.09</b>	<b>53.64</b>	<b>480.51</b>	<b>1,158.92</b>	<b>1,32,567.32</b>	<b>94.69</b>
Additions	-	-	25.59	87.70	1.71	37.93	-	152.94	53.14
Disposals / transfers	-	1,264.11	75.36	295.05	-	50.30	406.38	2,091.19	-
As at 31st March, 2020	<b>80,074.28</b>	<b>26,408.05</b>	<b>7,735.97</b>	<b>15,134.74</b>	<b>55.35</b>	<b>468.15</b>	<b>752.54</b>	<b>1,30,629.07</b>	<b>147.83</b>
<b>Accumulated depreciation:</b>									
As at 31st March, 2018	-	3,781.77	5,619.10	7,678.87	35.35	409.45	463.89	17,988.43	-
Depreciation charged during the year	-	457.23	431.91	863.62	5.60	17.77	149.89	1,926.03	-
Disposals / transfers	-	20.78	21.94	48.48	-	-	148.67	239.87	-
As at 31st March, 2019	-	<b>4,218.22</b>	<b>6,029.07</b>	<b>8,494.02</b>	<b>40.95</b>	<b>427.22</b>	<b>465.11</b>	<b>19,674.59</b>	-
Depreciation charged during the year	-	438.65	418.73	828.48	4.61	15.38	87.39	1,793.24	-
Disposals / transfers	-	87.37	32.29	84.25	-	47.78	206.25	457.93	-
As at 31st March, 2020	-	<b>4,569.50</b>	<b>6,415.52</b>	<b>9,238.25</b>	<b>45.56</b>	<b>394.82</b>	<b>346.25</b>	<b>21,009.90</b>	-
<b>Net book value</b>									
As at 31st March, 2019	80,074.28	23,453.94	1,756.66	6,848.08	12.69	53.29	693.81	1,12,892.74	94.69
As at 31st March, 2020	<b>80,074.28</b>	<b>21,838.55</b>	<b>1,320.45</b>	<b>5,896.49</b>	<b>9.79</b>	<b>73.33</b>	<b>406.29</b>	<b>1,09,619.18</b>	<b>147.83</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 4. PROPERTY, PLANT AND EQUIPMENT ...contd.

#### (a) Vehicles includes those financed:

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Gross value	647.56	1,048.26
Net value	391.00	670.22

#### (b) Land (freehold) and Plant and Equipments includes assets relating to the business of generation of electricity (Refer Note 36 on Segment Reporting)

##### Land (freehold)

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Gross value	34.00	34.00
Net value	34.00	34.00

##### Plant and Equipments

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Gross value	1,857.02	1,857.02
Net value	827.76	901.26

#### (c) Capital Work in Progress consists of :

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Balance at the beginning of the year	94.69	191.02
Building under construction	0.84	4.13
Technical and consultancy fees	4.50	49.40
Kitchen Equipments	4.75	3.15
Plumbing and sanitation	-	4.25
Air conditioning under installation	-	0.77
Furniture and Fixtures	40.44	-
Office, Housekeeping and other equipments	0.25	-
Expenditure during construction {Refer Note (d) below}	2.35	2.54
	147.83	255.26
Less: Capitalized during the year	0.00	(160.57)
<b>Balance at the end of the year</b>	<b>147.83</b>	<b>94.69</b>

#### (d) All other expenses specifically attributable to construction have been accounted for as expenditure during construction. The Company has prepared the following Statement of Expenditure during construction:

	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>STATEMENT OF EXPENDITURE DURING CONSTRUCTION</b>		
Legal and professional charges (Including loan processing and arranging fees)	-	1.79
Miscellaneous expenses	2.35	0.75
	<b>2.35</b>	<b>2.54</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 5. NON - CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unquoted investments:</b>		
<b>a. Investment in equity instruments</b>		
i) Subsidiary companies	54,653.62	54,653.62
Less: provision for impairment on the value of investment	(5,119.60)	(5,119.60)
	49,534.02	49,534.02
ii) Others companies	142.54	142.54
<b>b. Investment in preference shares</b>		
Subsidiary companies	7,684.60	7,051.10
	57,361.16	56,727.66
Aggregate amount of unquoted investments	57,361.16	56,727.66
Aggregate provision for diminution on value of investments	5,119.60	5,119.60

#### Details of Investments

	Face value per unit in Rs. unless otherwise specified	No. of shares/units As at 31-03-2020	Value	
			As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unquoted Investments:</b>				
<b>Investment in equity instruments</b>				
<b>Investment in subsidiary company</b>				
<b>Par value of equity shares</b>				
1. Finline Hospitality & Consultancy Pte Ltd, Mauritius (FHCPL)	No par value	9,42,95,582	54,653.62	54,653.62
Less: Provision for Impairment on the value of investment			(5,119.60)	(5,119.60)
			49,534.02	49,534.02
<b>Investment in other companies</b>				
2. Sandhya Hydro Power Projects Balagha Pvt. Ltd.*	Rs. 10	14,25,390	142.54	142.54
<b>Investment in preference shares</b>				
<b>Investment in subsidiary company</b>				
<b>Fully paid up 5% Cumulative Redeemable Preference Shares</b>				
Finline Hospitality & Consultancy Pte Ltd, Mauritius (FHCPL) #	USD 1	1,01,93,679	7,684.60	7,051.10
<b>Total</b>			57,361.16	56,727.66

# The change in value is solely on account of change in exchange rate on the stated foreign currency amount invested.

\* Pursuant to the Power Purchase Agreement (PPA), investment has been made which will entitle the company to consume power, equivalent to a maximum capacity of 1.97 MW

#### Notes:

- (a) The Company presently holds 100% interest in Finline Hospitality & Consultancy Pte Ltd. (FHCPL), which in turn holds 80% stake in Lexon Hotels Venture Ltd., Mauritius (Lexon); and Lexon in turn holds 99.76% interest in Leading Hotels Limited (Leading). Leading is developing an all Villa Hotel Complex at Goa and an 18 hole, 72 par Championship Golf Course. The said project will be under the management of Four Seasons, a world famed hotel chain and hospitality management company.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 5. NON - CURRENT FINANCIAL ASSETS - INVESTMENTS ...contd.

- (b) The Subsidiary company, Leading Hotels Limited, in its financial statements for the year ended 31st March 2020, has indicated about ongoing litigation and resultant slow pace of development of the project which has led to present cash crunch in the subsidiary company.

Considering the current economic environment, financial position and status of the project of said subsidiary, and in order to test the probable impairment of the equity investments in subsidiary, the Company has carried out the impairment testing for the aforesaid investment in subsidiary company, in accordance with IND AS 36 provisions. The Management has assessed the impairment of its investments, and based on the concrete steps taken to improve the financial position of its subsidiary, and in terms of the Valuation reports from Independent Valuer and a Merchant Banker, no further impairment provisioning is considered. The Company has already made an overall provision for impairment amounting to Rs. 5,119.60 Lakhs, against the above investment in the subsidiary company in earlier years. The Management shall constantly review and do the impairment testing whenever considered appropriate.

### 6. NON - CURRENT FINANCIAL ASSETS - LOANS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Others:		
Loans to employees	40.55	47.72
	<u>40.55</u>	<u>47.72</u>

### 7. NON - CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unsecured, considered good, unless otherwise stated</b>		
Security deposits	457.54	327.10
	<u>457.54</u>	<u>327.10</u>

### 8. TAXATION - DEFERRED TAX

#### I. Income tax related items charged or credited directly to profit or loss during the year

Particulars	2019-20	2018-19
<b>Statement of profit or loss</b>		
Current income tax	-	-
Prior year income tax / (reversal)	-	-
Deferred tax expense / (benefit)	(1,082.00)	(895.66)
<b>Total</b>	<b>(1,082.00)</b>	<b>(895.66)</b>

#### II. Income Tax Expense

<b>Reconciliation</b>		
<b>Accounting profit / loss before tax</b>	<b>(7395.15)</b>	<b>(4,207.70)</b>
Applicable tax rate	26.00%	31.20%
<b>Computed tax expense</b>	<b>(1922.74)</b>	<b>(1,312.80)</b>

#### III. Deferred Tax relates to the following:

Particulars	Balance Sheet		Recognized in statement of profit or loss (Expense / (Income))	
	As at 31-03-2020	As at 31-03-2019	2019-20	2018-19
Expense allowable on payment basis	(321.54)	530.82	852.36	5.80
Unused tax losses / depreciation	6,958.20	5,993.39	(964.81)	691.67
Minimum alternate tax (MAT) credit	778.15	778.15	-	-
Depreciation timing difference	(5,154.77)	(6,124.31)	(969.55)	4.19
Others	1,597.32	1,597.32	-	(1,597.32)
Earlier years tax provisions (written back)	-	-	-	-
Deferred tax asset / (liability) reversals	-	-	-	-
<b>Deferred tax asset / (liability)</b>	<b>3,857.36</b>	<b>2,775.37</b>	<b>(1,082.00)</b>	<b>(895.66)</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

9. NON - CURRENT ASSETS - OTHERS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Capital advances		
Considered good	23.88	23.88
Considered doubtful	-	-
	<u>23.88</u>	<u>23.88</u>
Less: Provision for doubtful advances	-	-
	<u>23.88</u>	<u>23.88</u>
Advance income tax/TDS (net of provision for taxation)	1,449.97	1,646.43
	<u>1,473.85</u>	<u>1,670.31</u>
10. INVENTORIES	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
(valued at lower of cost and net realizable value)		
Wines and liquor	262.08	450.11
Provisions, other beverages and smokes	204.84	204.84
Crockery, cutlery, silverware, linen etc.	474.97	396.29
General stores and spares	90.96	75.56
	<u>1,032.85</u>	<u>1,126.80</u>
- As per inventory taken and valued by the Management		
11. TRADE RECEIVABLES	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unsecured</b>		
Other debts		
Considered good	1,283.87	1,666.23
Considered doubtful	-	-
	<u>1,283.87</u>	<u>1,666.23</u>
Less: Provision for doubtful debts	-	-
	<u>1,283.87</u>	<u>1,666.23</u>
Trade receivables includes:		
Debts related to generation of electricity business (See segment reporting note)	13.78	57.59
12. CASH AND CASH EQUIVALENTS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Balances with banks		
In current accounts	175.89	490.31
In bank overdraft accounts	7.28	-
Cash in hand	10.46	16.09
	<u>193.63</u>	<u>506.40</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Other balances		
Earmarked balances with banks for:		
Unpaid dividends #	4.55	7.28
Bank deposits *	-	-
	4.55	7.28

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2020

# includes excess deposit due to rounding-off of dividend payable on fractional shares

\*includes as margin money deposit against borrowings from banks

\*under lien against guarantee given for loan taken by the company

\*against bank guarantee from bank

14. CURRENT FINANCIAL ASSETS - OTHERS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Advances recoverable in cash or kind	3,661.02	3,590.73
Others *	-	146.91
	3,661.02	3,737.64

\* Recoverable from DBS Bank on account of withholding tax deposited on their behalf

15. CURRENT ASSETS - OTHERS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unsecured, considered good, unless otherwise stated</b>		
Prepaid expenses	243.35	320.63
	243.35	320.63

16. SHARE CAPITAL	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Authorized:</b>		
40,000,000 Equity Shares of Rs. 10 each (40,000,000 Equity Shares of Rs. 10 each as on 31st March, 2019)	4,000.00	4,000.00
30,000,000 Preference Shares of Rs. 10 each (30,000,000 Preference Shares of Rs. 10 each as on 31st March, 2019)	3,000.00	3,000.00
<b>Issued, Subscribed and paid-up:</b>		
19,453,229 Equity Shares of Rs. 10 each fully paid up (19,453,229 Equity Shares of Rs. 10 each fully paid up as on 31st March, 2019)	1,945.32	1,945.32

### Notes:

#### (a) Reconciliation of the number of shares outstanding at the beginning at the end of the year:

	As at 31-03-2020		As at 31-03-2019	
	No. of shares	Rs. (Lakhs)	No. of shares	Rs. (Lakhs)
<b>(1) Equity Shares</b>				
Balance at the beginning of the year	4,00,00,000	4,000.00	4,00,00,000	4,000.00
Balance at the end of the year	4,00,00,000	4,000.00	4,00,00,000	4,000.00
<b>(2) Preference Shares</b>				
Balance at the beginning of the year	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Balance at the end of the year	3,00,00,000	3,000.00	3,00,00,000	3,000.00

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 16. SHARE CAPITAL ..contd.

Issued, subscribed and paid-up capital	As at 31-03-2020		As at 31-03-2019	
	No. of shares	Rs. (Lakhs)	No. of Shares	Rs. (Lakhs)
<b>(1) Equity Shares</b>				
Balance at the beginning of the year	1,94,53,229	1,945.32	1,94,53,229	1,945.32
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	<b>1,94,53,229</b>	<b>1,945.32</b>	<b>1,94,53,229</b>	<b>1,945.32</b>

#### (b) Terms / rights attached to equity shares:

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 dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31st March, 2020, the amount of per share dividend proposed as distribution to equity shareholders is Nil (31st March, 2019: Rs. Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Details of shareholders holding more than 5 % shares in the Company

	As at 31-03-2020 %	No. of shares	As at 31-03-2019 %	No. of shares
<b>Equity Shares of Rs. 10 each fully paid up</b>				
Fineline Holdings Limited, (an overseas promoter entity)	23.10	44,93,145	23.10	44,93,145
Yans Enterprises (H.K.) Limited, (an overseas promoter entity)	27.43	53,36,880	27.43	53,36,880
Mr. Shiv Kumar Jatia (Chairman & Managing Director & Promoter)	5.72	11,13,027	13.72	26,68,027
Asian Holdings Private Limited (a domestic promoter entity)	3.04	5,91,564	8.24	16,02,664

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.

### 17. OTHER EQUITY

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Capital Reserve</b>		
Opening balance	1.41	1.41
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	<b>1.41</b>	<b>1.41</b>
<b>Capital Redemption Reserve for redeemed NCPS</b>		
Opening balance	990.00	990.00
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	<b>990.00</b>	<b>990.00</b>
<b>Securities Premium</b>		
Opening balance	32,994.83	32,994.83
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	<b>32,994.83</b>	<b>32,994.83</b>



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 17. OTHER EQUITY ..contd.

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>General Reserve</b>		
Opening balance	8,863.57	8,863.57
Additions during the financial year	-	-
Adjusted to FVTOCI reserve on transition to Ind AS	-	-
Closing balance	<u>8,863.57</u>	<u>8,863.57</u>
<b>Revaluation Reserve</b>		
Opening balance	-	-
Additions during the financial year	-	-
Deductions during the financial year	-	-
Transferred to Surplus of Profit and Loss *	-	-
Closing balance	<u>-</u>	<u>-</u>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	25,266.93	28,544.52
Transferred from Revaluation Reserve	-	-
Profit / (loss) during the year	(6,313.15)	(3,277.55)
Closing balance	<u>18,953.78</u>	<u>25,266.97</u>
<b>Fair Value through Other Comprehensive Income [FVTOCI] Reserve</b>		
Opening balance	551.38	534.07
Adjusted from surplus in statement of profit and loss	-	-
- Re-measurement gains / (losses) on employee benefits	11.25	17.31
Closing balance	<u>562.63</u>	<u>551.38</u>
<b>Total of other equity - as at 31st March, 2020</b>	<u><b>62,366.22</b></u>	<u><b>68,668.16</b></u>

\* As per Ind AS requirements, the balance lying in revaluation reserve account has been transferred.

### 18. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Secured Term Loans</b>		
<b>From Banks</b>		
<i>External commercial borrowings</i>		
DBS Bank Limited	22,366.08	21,236.04
USD 296.69 Lakhs (Previous Year USD 307.01 Lakhs)		
<i>Other Term Loans</i>		
Bank of Maharashtra - Rupee Loan	22,200.02	23,412.31
Yes Bank Limited-Rupee loan	14,855.01	15,456.29
Punjab National Bank	14,004.57	14,485.82
IndusInd Bank	9,570.85	9,906.24
	<u>82,996.53</u>	<u>84,496.70</u>
Less: Adjustment of transaction costs as per Ind AS 109	(1,945.83)	(2,128.03)
	<u>81,050.70</u>	<u>82,368.67</u>
ICICI Bank Limited- Rupee loan	29.85	170.13
HDFC Bank Limited- Rupee loan	22.87	46.96

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 18. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS ..contd.

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>From Financial Institution</b>		
SREI Equipment Finance Ltd - Equipment Loan	-	25.21
Genesis Finance Company Limited - Rupee loan <i>For business of generation of electricity (Refer Note on Segment Reporting)</i>	<b>347.83</b>	397.83
<i>For acquisition of /secured against vehicles</i>		
Kotak Mahindra Prime Limited - Rupee loan	<b>63.56</b>	111.41
Toyota Financial Services - Rupee loan	<b>11.50</b>	21.40
	<b>81,526.31</b>	<b>83,141.61</b>

#### Nature of security and terms of repayment for secured current financial liabilities-borrowings:

- (a) DBS Bank Limited -External commercial borrowings (carried interest @ 3.25% p.a. plus LIBOR ) are secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. External commercial borrowings are repayable as under: (i) USD 143.01 Lakhs is payable in 18 unequal half yearly instalments till March, 2030; (ii) USD 153.68 Lakhs is payable in 11 unequal half yearly instalments till March, 2030.
- (b) Yes Bank Limited - Rupee loan of Rs. 4,393.60 Lakhs (carried interest @ 11.15% - 11.90% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 32 unequal quarterly instalments till July, 2030.
- (c) Yes Bank Limited - Rupee loan of Rs. 10,461.41 Lakhs (carried interest @ 11.60% - 12.35% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 34 unequal quarterly instalments till May, 2031.
- (d) Bank of Maharashtra (Term Loan I) of Rs. 19,280 Lakhs (carried interest @ 10.15% - 10.75% per annum) is secured by 1st Pari Passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is repayable in 41 unequal quarterly instalments till March, 2030.
- (e) Bank of Maharashtra (Term Loan II) of Rs. 4,253.75 Lakhs (carried interest @ 10.15% - 10.75% per annum) is secured by 1st Pari Passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is repayable in 41 unequal quarterly instalments till March, 2030.
- (f) IndusInd Bank Limited - Rupee loan of Rs. 9570.85 Lakhs (carried interest @ 10.10% - 10.40% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 17 unequal half yearly instalments till March, 2030.
- (g) Punjab National Bank - Rupee loan of Rs. 14,004.57 Lakhs (carried interest @ 9.35% - 10.15% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 34 unequal quarterly instalments till March, 2030.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 18. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS ..contd.

- (h) Genesis Finance Company Limited - Rupee loan of Rs.347.83 Lakhs for business of generation of electricity (carried interest @ 12.00% per annum) is secured by first charge on plant & machinery pertaining to the windmill situated at Sinner in Maharashtra and personal guarantee of Chairman & Managing Director. The loan is repayable in 67 unequal monthly instalments up to October 2027.
- (i) ICICI Bank-Rupee loan (carried interest @ 9.84% per annum) is secured against hypothecation of 2 vehicles. Balance repayable in monthly instalments up to December, 2020.
- (j) ICICI Bank-Rupee loan (carried interest @ 9.35% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to June, 2021.
- (k) ICICI Bank-Rupee loan (carried interest @ 8.51% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to September, 2021.
- (l) ICICI Bank-Rupee loan (carried interest @ 8.02% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to September, 2022.
- (m) ICICI Bank-Rupee loan (carried interest @ 8.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to September, 2022.
- (n) ICICI Bank-Rupee loan (carried interest @ 8.01% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to September, 2022.
- (o) ICICI Bank-Rupee loan (carried interest @ 14.51% per annum) is secured against hypothecation of 2 vehicles. Balance repayable in monthly instalments up to June, 2021.

The aggregate values of the vehicle loans from ICICI Bank aggregate to Rs. 78.18 Lakhs.

- (p) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of certain vehicles. Balance repayable in monthly instalments up to May 2020.
- (q) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to February 2021.
- (r) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 8.60% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to March 2022.
- (s) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 7.78% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to November 2022.

The aggregate values of the vehicle loans outstanding from Kotak Mahindra Prime Ltd aggregates to Rs. 111.41 Lakhs.

- (t) HDFC Bank Ltd - Rupee loan of Rs. 20.05 Lakhs for acquisition of a vehicle (carried interest @ 11.00% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to May 2021.
- (u) HDFC Bank Ltd - Rupee loan of Rs.26.91 Lakhs for acquisition of a vehicle (carried interest @ 8.40% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to August, 2023.
- (v) Toyota Financial Services India Ltd - Rupee loan of Rs.4.85 Lakhs for acquisition of a vehicle (carried interest @ 9.05% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to June 2021.
- (w) Toyota Financial Services India Ltd - Rupee loan of Rs.16.55 Lakhs for acquisition of a vehicle (carried interest @ 7.74% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to October 2022.

The details of repayment of long term borrowings as at 31st March, 2020 are as follow:

Particulars	Up to 1 year (Rs. In Lakhs)	1 to 5 years (Rs. In Lakhs)	Above 5 years (Rs. In Lakhs)	Total (Rs. In Lakhs)
<b>Secured term loans</b>				
From banks	1,333.73	27,777.98	55,218.55	84,330.27
From financial institution	-	157.42	190.40	347.83
	<b>1,333.73</b>	<b>27,935.41</b>	<b>55,408.96</b>	<b>84,678.09</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 19. NON - CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Security Deposits	1,909.43	1,823.78
	<u>1,909.43</u>	<u>1,823.78</u>

The above includes Rs. 180.12 Lakhs (Previous Year: Rs. 180.12 Lakhs) received as refundable interest free security deposits against leave and license agreements relating to the shops in Hotel Hyatt Regency and Rs. 1,500 Lakhs (Previous Year: Rs. 1,500 Lakhs) received as refundable interest free security deposit for parking space in Serviced Apartment Tower and Rs. 80.23 Lakhs (Previous Year: Rs. 66.74 Lakhs) received as refundable interest free security deposit for Service Apartment.

### 20. NON - CURRENT PROVISIONS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	348.75	344.20
Leave Encashment	72.61	107.60
	<u>421.36</u>	<u>451.80</u>

### 21. CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Secured</b>		
<b>From Banks</b>		
<i>Other Term Loans</i>		
Bank of Maharashtra - Rupee Loan	1,333.73	485.72
Kotak Mahindra Bank Limited-Rupee loan	-	-
<i>For acquisition of /secured against vehicles</i>		
ICICI Bank Limited- Rupee loan	48.33	122.39
HDFC Bank Limited- Rupee loan	24.09	21.67
<i>Overdraft Facilities</i>		
Yes Bank Limited	3,890.73	3,349.74
DBS Bank Ltd	-	3.32
Axis Bank Limited	999.13	1,260.01
IndusInd Bank	739.57	503.14
	<u>7,035.58</u>	<u>5,745.99</u>
<b>From Financial Institution</b>		
SREI Equipment Finance Ltd - Equipment Loan	25.21	38.41
Genesis Finance Co Ltd	-	-
<i>For acquisition of /secured against vehicles</i>		
Kotak Mahindra Prime Limited - Rupee loan	47.85	140.48
Toyota Financial Services - Rupee loan	9.90	9.12
	<u>82.96</u>	<u>188.01</u>
<b>Unsecured</b>		
<b>Others</b>		
Intercorporate Deposits (carry interest @ 10% to 17%)	3,356.67	2,077.50
	<u>3,356.67</u>	<u>2,077.50</u>
	<u>10,475.21</u>	<u>8,011.50</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 21. CURRENT FINANCIAL LIABILITIES - BORROWINGS ..contd.

#### Nature of security and terms of repayment for secured current financial liabilities-borrowings:

- (a) Yes Bank Limited -Overdraft facilities (carried interest @ 12.80% - 13.35% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets, personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company.
- (b) Axis Bank Limited - Overdraft facilities (carried interest @ 11.40% - 11.45% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.
- (c) IndusInd Bank Limited - Overdraft facilities (carried interest @ 9.35% - 10.40% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.

### 22. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Due to micro and small enterprises	73.13	158.14
Due to other than micro and small enterprises	8,157.23	6,073.88
	<b>8,230.36</b>	<b>6,232.02</b>

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") is as under:

#### DISCLOSURE UNDER MSMED ACT, 2006

	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
(a) Principal amount due to suppliers under MSMED Act, 2006	73.13	158.14
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

### 23. CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Security deposits	41.64	110.49
Interest accrued but not due on borrowings	1,131.06	951.04
Payables for capital goods	188.30	162.17
Employee Dues	346.67	416.17
Other payables	22.23	98.04
Unpaid/unclaimed dividend	4.46	7.19
	<b>1,734.36</b>	<b>1,745.10</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

24. OTHER CURRENT LIABILITIES	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Advance from customers *	6,071.16	5,912.70
Statutory liabilities	1,774.06	1,410.24
Other liabilities	2,610.24	2,286.16
	<u>10,455.46</u>	<u>9,609.10</u>

\* Advance includes amount received upon execution of agreements related to apartments amounting to Rs.5,288.72 Lakhs (Previous year ended March 31, 2019: Rs. 5,036.05 Lakhs )

25. SHORT TERM PROVISIONS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	292.85	260.58
Leave Encashment	19.87	11.60
	<u>312.72</u>	<u>272.18</u>

26. REVENUE FROM OPERATIONS	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Room income	9,165.88	9,869.98
Wines and liquor	2,475.67	3,038.95
Food, other beverages, smokes and banquets	9,407.87	10,123.99
Communications	12.51	16.27
Others*	4,177.46	4,303.09
	<u>25,239.39</u>	<u>27,352.28</u>

\*Includes related to generation of electricity business

27. OTHER INCOME	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Interest Received/Receivable		
From banks	-	6.49
From others	2.05	134.46
Excess provisions / credit balances no longer required written back	44.62	27.19
Net gain on sale of fixed assets	731.87	183.45
Net gain on foreign currency transaction and translation (other than finance cost)	633.50	420.81
Miscellaneous income	43.95	43.58
	<u>1,455.99</u>	<u>815.98</u>

28. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>WINES AND LIQUOR</b>		
Opening Stock	442.71	550.41
Add : Purchases	886.11	1,078.34
	<u>1,328.82</u>	<u>1,628.75</u>
Closing Stock	(356.95)	(442.71)
	<u>971.87</u>	<u>1,186.04</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

28. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS ..contd.	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	212.24	189.15
Add : Purchases	2,598.05	2,703.86
	<u>2,810.29</u>	<u>2,893.01</u>
Closing Stock	(109.97)	(212.24)
	<u>2,700.32</u>	<u>2,680.77</u>
Excise duty expense	-	-
	<u><u>3,672.19</u></u>	<u><u>3,866.81</u></u>
Percentage of total consumption between:		
Indigenous 73.53% (Previous Year 69.32%)	2,700.32	2,679.34
Imported 26.47% (Previous Year 30.68%)	971.87	1,186.06
<b>29. EMPLOYEE BENEFITS EXPENSES</b>	<b>2019-20 (Rs. In Lakhs)</b>	<b>2018-19 (Rs. In Lakhs)</b>
Salaries and wages	4,655.11	4,457.11
Contribution to provident and other funds	253.38	213.12
Contract labour and services	1,395.47	1,289.32
Staff welfare expense	571.64	544.22
Recruitment and training	36.76	19.92
	<u>6,912.36</u>	<u>6,523.69</u>
<b>30. FINANCE COSTS</b>	<b>2019-20 (Rs. In Lakhs)</b>	<b>2018-19 (Rs. In Lakhs)</b>
Interest expenses	10,019.47	9,180.06
Other borrowing costs (including bank charges)	1,155.27	1,106.49
Applicable net loss / (gain) on foreign currency transactions and translation {Refer Note 3.10 on borrowing costs}	1,371.76	1,026.37
	<u>12,546.50</u>	<u>11,312.92</u>
<b>31. OTHER EXPENSES</b>	<b>2019-20 (Rs. In Lakhs)</b>	<b>2018-19 (Rs. In Lakhs)</b>
<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
Linen, room, catering and other supplies/services	1,000.97	1,040.89
Operating equipment and supplies written off	259.35	170.13
Power, fuel and light (net)	1,571.56	1,460.85
Repairs, maintenance and refurbishing *	863.62	923.77
Rent	817.05	555.57
Rates and taxes	464.10	443.66
Insurance	127.09	70.70
Data processing charges	303.64	311.99
Legal and professional charges	303.31	287.53
Payment to the auditors**	33.05	38.97
Stationery and printing	90.03	98.65
Travelling and conveyance	378.25	394.91
Guest transportation	210.37	182.77
Communication (including telephones for guests)	90.82	89.90

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

31. OTHER EXPENSES ..contd.	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Technical services	832.73	946.53
Advertisement, publicity and business promotion	419.61	451.42
Commission and brokerage	914.44	919.72
Charity and donation	-	9.29
Provision for doubtful debts / advances	6.45	0.07
Exchange Fluctuation loss	382.38	165.38
Miscellaneous	97.42	183.81
	<b>9,166.24</b>	<b>8,746.51</b>
* includes:		
Repairs to buildings	195.96	235.19
Repairs to machinery	511.73	498.87
**Payments to the auditors for		
- statutory audit	25.00	29.50
- tax audit fee	4.00	4.72
- limited review fees	3.00	3.54
- certification work	0.07	0.12
- out of pocket expenses	0.98	1.09
	<b>33.05</b>	<b>38.97</b>
<b>32. EARNINGS PER EQUITY SHARE</b>	<b>2019-20 (Rs. In Lakhs)</b>	<b>2018-19 (Rs. In Lakhs)</b>
Profit/(loss) available for equity shareholders	(6,313.15)	(3,277.55)
Weighted average numbers of equity shares outstanding	1,94,53,229	1,94,53,229
Nominal value per equity share (in Rupees)	10.00	10.00
<b>Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)</b>	<b>(32.45)</b>	<b>(16.85)</b>
<b>33. CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>As at 31-03-2020 (Rs. In Lakhs)</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>
(a) Claims against the Company not acknowledged as debts *	-	7.00
* pertains to cases filed by certain employees of the Company		
(b) Service tax demand not provided for *	250.00	254.53
* pertains to a demand raised by Service Tax Authorities amounting to Rs. 401.10 Lakhs which includes penalty demand of Rs. 250.00 Lakhs and excluding interest for earlier years up to 2007, against which the Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi on 11th March 2014. Since the Company had already deposited the service tax payable, as determined by the tax authorities, before issuance of the show cause notice for levy of the penalty, it is contesting before the above appellate authorities that it is not liable to pay any penalty and interest.		
(c) Additional bonus liability for the financial year 2014-15 owing to amendment made in "The Payment of Bonus Act, 1965" w.r.e.f. 1st April, 2014, has not been provided for as the matter is subjudice before various High Courts in the country.	-	-



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 33. CONTINGENT LIABILITIES AND COMMITMENTS ..contd.

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
(d) Relating to an accident in the hotel premises, a writ petition has been filed with Delhi High Court by a relative of the injured person, and the Company has been made one of the respondents. The same relative has also filed a consumer complaint/petition, before the National Consumer Dispute Redressal Commission (NCDRC), against the Hyatt Hotels Corporation, Chicago and Hotel Hyatt Regency, Delhi, seeking compensation for the above injured person on various counts. Any consequence on the outcome of the above writ petition and the Consumer complaint before the NCDRC can not be ascertained.	-	-
(e) The Company has, on February 11th, 2020 received a demand Notice dated 05.02.2020 from the Asstt. Assessor & Collector (HQ), South Delhi Municipal Corporation, New Delhi (SDMC), on account of Property Tax (including interest and penalty) for the years 2016-17 to 2019-20 assessed in terms of assessment order dated 27.1.2020. The matter of Property Tax in the case of Company and many other similarly situated entities is sub-judice before the Hon'ble High Court of Delhi. The Company has been depositing Property Tax as per order dated 23.5.2014 of the Hon'ble High Court. The Company has been advised that the said demand notice is contrary to the prior orders passed by the Hon'ble High Court, and therefore Company is in the process of taking appropriate legal recourse in the said matter.	3,725.29	-

#### Notes:

- (a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.

#### COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	<b>240.09</b>	269.04
(b) Future commitments in respect of assets acquired under Finance Schemes:		
Minimum instalments payable within one year	<b>174.05</b>	390.67
later than one year but not later than five years	<b>136.75</b>	410.45
Present value of minimum instalments payable within one year	<b>155.37</b>	332.14
later than one year but not later than five years	<b>127.78</b>	375.11

### 34. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17 LEASES OPERATING LEASE COMMITMENTS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
(a) Future minimum lease amounts receivable by the Company in respect of non-cancellable operating leases (other than land) for shops and apartments entered into by the Company :		
Not later than one year	<b>61.47</b>	62.10
Later than one year and not later than five years	<b>86.14</b>	9.82
More than five years	-	-
(b) Future minimum lease amounts payable by the Company in respect of non-cancellable operating leases (other than land) for other services (including rented premises) entered into by the Company :		
Not later than one year	<b>918.77</b>	643.20
Later than one year and not later than five years	<b>4,092.62</b>	3,427.43
More than five years	<b>1,856.84</b>	4,269.62

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 35. SEGMENT REPORTING

The Company operates only in one reportable segment, i.e. Hospitality/Hotel Business at one location, namely New Delhi (India). The other business segment, i.e. power generation, though governed by different sets of risks and returns, however, is not a reportable segment as defined under the Indian Accounting Standard Ind AS - 108 "Operating Segments", and therefore, no separate disclosures have been made. The assets, liabilities and revenues relating to the said power generation business have, however, been disclosed in the accounts separately. The above treatment is in accordance with the guiding principles enunciated in the said Ind AS.

### 36. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

#### (a) Defined contribution plans

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 232.13 Lakhs (Previous Year Rs. 186.04 Lakhs)

#### (b) Defined benefit plans

- Gratuity
- Compensated absences - Earned leave

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

#### Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

#### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 6.92% p.a. (Previous Year 7.66% p.a.) compound has been used.

#### Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarized in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Discount rate(per annum)	6.92%	7.66%	6.92%	7.66%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	NA	NA	NA	NA
Mortality Rates	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)
Retirement age	58 Years	58 Years	58 Years	58 Years
Withdrawal rates				
- Up to 30 years	3.00%	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 36 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS...contd.

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Change in present value of the defined benefit obligation during the year</b>				
Present value of obligation as at the beginning of the year	608.58	577.93	119.19	117.05
Interest Cost	46.33	44.27	9.13	9.03
Current Service Cost	37.88	41.44	17.68	26.93
Benefits Paid	(39.93)	(37.75)	(40.76)	(29.10)
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.38)	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	20.02	1.32	6.06	0.55
Actuarial (Gain)/Loss on arising from Experience Adjustment	(30.89)	(18.63)	(18.82)	(5.27)
Present value of obligation as at the end of the year	641.60	608.58	92.48	119.19
<b>Change in fair value of plan assets during the year</b>				
Fair Value of plan assets at the beginning of the year	NA	NA	NA	NA
Interest Income	NA	NA	NA	NA
Contributions by the employer	NA	NA	NA	NA
Benefits paid	NA	NA	NA	NA
Return on plan assets	NA	NA	NA	NA
Fair Value of plan assets at the end of the year	NA	NA	NA	NA
<b>Net Asset/ (Liability) recorded in the Balance Sheet</b>				
Present value of obligation as at the end of the year	(641.60)	(608.58)	(92.48)	(119.19)
Net Asset/ (Liability)-Current	(292.85)	(260.58)	(19.87)	(11.60)
Net Asset/ (Liability)-Non-Current	(348.75)	(344.20)	(72.61)	(107.59)
<b>Expenses recorded in the Statement of Profit &amp; Loss during the year</b>				
Interest Cost	46.33	44.27	9.13	9.03
Current & Past Service Cost	41.68	41.44	17.68	26.93
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-	6.06	0.54
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-	(18.82)	(5.27)
Total expenses included in employee benefit expenses	88.01	85.71	26.81	31.23
<b>Recognized in Other Comprehensive Income during the year</b>				
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.38)	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	20.02	1.32	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	(30.89)	(18.63)	-	-
Recognized in Other Comprehensive Income	(11.25)	(17.31)	-	-
<b>Maturity profile of defined benefit obligation</b>				
Within 12 months of the reporting period	292.85	260.58	19.87	11.60
Between 2 and 5 years	129.93	262.62	15.76	8.70
6 Years and onwards	218.82	-	56.85	98.90

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 36 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS...contd.

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Quantitative sensitivity analysis for significant assumption is as below:</b>				
Increase/ (decrease) on present value of defined benefit obligation at the end of the year				
Half percentage point increase in discount rate	(13.98)	(13.03)	(4.18)	(5.27)
Half percentage point decrease in discount rate	15.05	13.95	4.57	5.74
Half percentage point increase in salary increase rate	15.26	14.25	4.63	5.86
Half percentage point decrease in salary increase rate	14.30	(13.41)	(4.27)	(5.42)
<b>Expected contribution to the defined benefit plan for the next reporting period</b>				
			2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)			166.48	175.26
Expected contribution to the defined benefit plan for the next reporting period (Compensated Absences Earned Leave)			18.49	80.31

### 37. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits determined under section 198 of the Companies Act 2013 during the immediately three financial years. However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013, the company is not required to spend any amount on CSR activities for Financial Year 2019-20

Gross amount required to be spent by the Company during the year: Rs. NIL (Previous year - Rs. NIL)

### 38. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
(a) Value of imports calculated on CIF basis		
Food and beverages	187.83	62.37
Stores and spares	44.93	47.87
Capital goods	23.70	146.02
Beverages - through canalizing agencies	816.80	1,021.05
(b) Expenditure in foreign currency		
Technical services (Royalty)	6.23	6.69
Technical services (Professional and consultation fees)	11.49	64.38
Interest	979.26	1,208.79
Others		
- Advertisement and publicity	56.41	19.67
- Commission and brokerage	63.95	341.31
- Recruitment and training	-	-
- Miscellaneous	35.64	175.91
(c) Earning in foreign currency		
Revenue from operations (As reported by the management of the Company and certified by an independent Chartered Accountant)	9,029.69	13,144.55

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 38. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY ...contd.

	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
(d) Details of dividends paid to Non-Resident Shareholders holding shares on repatriation basis:		
Final Dividend - Equity		
(i) Financial Year to which dividend relates	-	-
(ii) Number of non-resident shareholders	-	-
(iii) Number of shares held by them	-	-
(iv) Rupees (in Lakhs) equivalent of amount paid in foreign currency	-	-
(v) Amount in Rupees (in Lakhs) remitted to banks/addresses in India for which the company does not have information as to the extent to which remittance in foreign currencies have been made by or on behalf of the non-resident shareholders	-	-

### 39. DERIVATIVE INSTRUMENTS

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 are as under:

	As at 31st March, 2020		As at 31st March, 2019	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
<b>Receivables</b>				
Loans and advances given				
(in USD)	1,048	0.79	81,357	56.28
(in GBP)	-	-	1,346	1.22
Investment in CRPS (in USD)	1,01,93,679	7,684.60	1,01,93,679	7,051.10
Other Receivable				
(in USD)	10,000	7.54	4,751	3.29
<b>Payables</b>				
Trade payables				
(in USD)	56,65,106	4,270.69	45,60,991	3,154.90
(in SEK)	-	-	-	-
Payable for capital goods				
(in USD)	-	-	-	-
(in SEK)	28,667	2.15	28,667	2.15
External Commercial Borrowings (ECBs)				
(in USD)	2,96,68,787	22,366.08	3,07,00,648	21,236.04
Interest on ECBs				
(in USD)	7,30,289	550.53	8,45,926	585.14

### 40. COVID 19 IMPLICATIONS

The COVID 19 outbreak worldwide and subsequent nationwide lockdown coupled with domestic as well as international travel restrictions announced by the Central/State Governments, have adversely impacted the business operations in the major part of March 2020 (and continuing) in terms of room occupancy as well as food, beverages and other income of Hotel "Hyatt Regency Delhi" owned by the Company. The Company has undertaken necessary cost saving measures including rationalization of human resources, initiatives to uplift revenue by resorting to home delivery of food, and to conserve cash.

The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, investments, trade receivables, inventories and other current assets appearing in the financial statements of the Company. Based on the current indicators of future economic conditions, the Company expects to recover the carrying value of these assets. The impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates.

The Company will continue to monitor the material changes in future economic conditions and would recognize any significant impact of these changes affecting the Company, in the financial statements, as and when these conditions arise.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 41. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

#### (a) Related Parties

- Subsidiaries	Fineline Hospitality & Consultancy Pte Limited Lexon Hotel Ventures Limited Leading Hotels Limited	
- Key Management Personnel	Mr. Shiv Kumar Jatia Ms. Anita Thapar Mr. Amritesh Jatia Mr. Dipendra B Goenka Mr. Dinesh Kumar Jain Dr. Lalit Bhasin Mr. Dinesh Chandra Kothari Mr. Pinaki Misra Mr. Ranjan K. Bhattacharya Mr. Prakash Chandra Sharma	Chairman & Managing Director Whole Time Director Non-Executive Director Non-Executive Director Company Secretary Independent Director Independent Director Independent Director Independent Director Chief Financial Officer
- Relative of Key Management Personnel	Mr. Amritesh Jatia Mrs. Archana Jatia Mr. Ramesh Jatia Mr. Raj Kumar Jatia	Director and son of Mr. Shiv Kumar Jatia Wife of Mr. Shiv Kumar Jatia Brother of Mr. Shiv Kumar Jatia Brother of Mr. Shiv Kumar Jatia
- Entities controlled by Directors or their relatives (with whom transactions entered into during the financial year)	Bhasin & Co. Energy Infrastructure (I) Limited Experimental Restaurants Private Limited	

#### (b) Transactions with related parties:

	Subsidiaries		Key Management Personnel and their relatives		Entities controlled by Directors or their relatives		Total	
	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Room, Food, Beverages and other services	-	-	72.11	0.32	24.56	32.69	96.67	33.01
Day to day operations and Technical assistance services	-	-	-	-	33.88	25.25	33.88	25.25
Remuneration	-	-	343.89	332.62	-	-	343.89	332.62
Professional Charges	-	-	-	-	3.87	8.32	3.87	8.32
Purchases	-	-	-	-	55.34	0.70	55.34	0.70
Director's Sitting fees	-	-	19.50	21.80	-	-	19.50	21.80

#### Balance Outstanding

	Payable		Receivable	
	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Subsidiaries	-	-	6.89	6.89
Key Management Personnel and their relatives	139.57	147.66	0.85	0.23
Entities controlled by Directors or their relatives	6.89	0.83	-	1.48
<b>Total</b>	<b>146.46</b>	<b>148.49</b>	<b>7.74</b>	<b>8.60</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 41. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24...contd.

#### Note:

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.
- (ii) The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.

#### (c) Disclosure in respect of related party-wise transactions

	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)		
<b>Room, Food, Beverages and other services</b>				
Leading Hotels Limited	-	-		
Energy Infrastructure (I) Limited	-	-		
Bhasin & Co.	-	1.07		
Experimental Restaurants Private Limited	24.56	31.62		
Mr. Ranjan Kishore Bhattacharya	15.83	0.25		
Mr. Pinaki Misra	55.52	-		
Dr. Lalit Bhasin	0.76	-		
<b>Day to Day Services</b>				
Experimental Restaurants Private Limited	33.88	25.25		
<b>Remuneration</b>				
Mr. Shiv Kumar Jatia*	215.42	210.53		
Ms. Anita Thapar*	30.16	25.96		
Mr. Dinesh Kumar Jain	50.62	49.46		
Mr. Prakash Chandra Sharma	47.68	46.67		
<b>Professional Charges</b>				
Bhasin & Co.	3.87	8.32		
<b>Purchases</b>				
Energy Infrastructure (I) Limited	9.00	0.70		
Experimental Restaurants Private Limited	46.34	-		
<b>Director's Sitting fees</b>				
Mr. Ranjan Kishore Bhattacharya	5.50	4.20		
Dr. Lalit Bhasin	5.50	6.20		
Mr. Pinaki Misra	4.50	4.30		
Mr. Dinesh Chandra Kothari	4.00	7.10		
<b>Balance Outstanding</b>				
	<b>Payable</b>		<b>Receivable</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2020</b>	<b>31-03-2019</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Leading Hotels Limited	-	-	6.89	6.89
Energy Infrastructure (I) Limited	6.89	0.83	-	-
Bhasin & Co.	-	-	0.32	1.48
Mr. Shiv Kumar Jatia	112.36	112.36	-	-
Mr. Amritesh Jatia	8.13	8.13	-	-
Mr. Ramesh Jatia	1.89	1.89	-	-
Mr. Raj Kumar Jatia	8.61	8.61	-	-
Mr. Dinesh Chandra Kothari	8.13	8.13	-	-
Mr. Dipendra K Goenka	0.05	0.05	-	-
Mr. Pinaki Misra #	-	-	0.52	-
Dr. Lalit Bhasin	0.40	8.49	-	0.23

**Note: The above transactions excludes changes due to exchange rate fluctuation.**

\* These include Provident Fund paid / payable by the employer.

# Amounts have been subsequently paid

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 42. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

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

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

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

#### I. Figures as at March 31, 2020

Financial Instrument	Carrying Amount					Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>									
<b>Financial Assets</b>									
(i) Investments	-	142.54	142.54	57,218.62	57,361.16	-	-	142.54	142.54
(ii) Loans	-	-	-	40.55	40.55	-	-	40.55	40.55
(iii) Others	-	-	-	-	-	-	-	-	-
<b>Current Assets</b>									
<b>Financial Assets</b>									
(i) Trade Receivables	-	-	-	1,283.87	1,283.87	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	193.63	193.63	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	4.55	4.55	-	-	-	-
(iv) Others	-	-	-	3,661.02	3,661.02	-	-	-	-
	-	142.54	142.54	62,402.24	62,544.78	-	-	183.09	183.09
<b>Non Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	81,526.31	81,526.31	-	-	-	-
(ii) Others	-	-	-	1,909.43	1,909.43	-	-	1,909.43	1,909.43
<b>Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	10,475.21	10,475.21	-	-	-	-
(ii) Trade Payables	-	-	-	8,230.36	8,230.36	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	1,734.36	1,734.36	-	-	-	-
	-	-	-	1,03,875.67	1,03,875.67	-	-	1,909.43	1,909.43



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 42. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS ...contd.

#### II. Figures as at March 31, 2019

Financial Instrument	Carrying Amount				Fair value				
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>									
<b>Financial Assets</b>									
(i) Investments	-	142.54	142.54	56,585.12	56,727.66	-	-	142.54	142.54
(ii) Loans	-	-	-	47.72	47.72	-	-	47.72	47.72
(iii) Others	-	-	-	-	-	-	-	-	-
<b>Current Assets</b>									
<b>Financial Assets</b>									
(i) Trade Receivables	-	-	-	1,666.23	1,666.23	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	506.40	506.40	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	7.28	7.28	-	-	-	-
(iv) Others	-	-	-	3,737.64	3,737.64	-	-	-	-
	-	142.54	142.54	62,550.39	62,692.93	-	-	190.26	190.26
<b>Non Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	83,141.61	83,141.61	-	-	-	-
(ii) Others	-	-	-	1,823.78	1,823.78	-	-	1,823.78	1,823.78
<b>Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	8,011.50	8,011.50	-	-	-	-
(ii) Trade Payables	-	-	-	6,232.02	6,232.02	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	1,745.10	1,745.10	-	-	-	-
	-	-	-	1,00,954.01	1,00,954.01	-	-	1,823.78	1,823.78

During the reporting period ending March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 policy is set by the Managing Board.

#### Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

#### Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

The company is not exposed to significant interest rate risk as at the specified reporting date.

Refer Note 19 and Note 22 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

#### Foreign currency risk

The Company operates locally, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

#### I. Foreign Currency Exposure

Refer Note 39 for foreign currency exposure as at March 31, 2020 and March 31, 2019 respectively.

#### II. Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax

Currency	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(194.94)	194.94	(178.65)	178.65
Euro	-	-	-	-
GBP	-	0.00	0.01	(0.01)
SGD	-	-	-	-
SEK	(0.02)	0.02	(0.02)	0.02
<b>Total</b>	<b>(194.97)</b>	<b>194.97</b>	<b>(178.66)</b>	<b>178.66</b>

#### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the company compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation,
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

#### I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

(Rs. In lakhs)

Particulars	As at	As at
	31-03-2020	31-03-2019
Non-current financial assets - Loans	40.55	47.72
Current financial assets - loans	-	-
<b>Total (A)</b>	<b>40.55</b>	<b>47.72</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

#### II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	As at	As at
	31-03-2020	31-03-2019
Trade Receivables	1,283.87	1,666.23
<b>Total (A)</b>	<b>1,283.87</b>	<b>1,666.23</b>

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

#### III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

(Rs. In lakhs)

Particulars	As at	As at
	31-03-2020	31-03-2019
Up to 3 months	780.16	1,078.93
3 to 6 months	151.89	465.29
More than 6 months	351.82	122.01
<b>Total</b>	<b>1,283.87</b>	<b>1,666.23</b>

#### IV. Provision for expected credit losses again "II" and "III" above

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

#### Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31-03-2020			As at 31-03-2019		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	81,526.31	81,526.31	-	83,141.61	83,141.61
Non-current financial liabilities - Others	-	1,909.43	1,909.43	-	1,823.78	1,823.78
Current financial liabilities - Borrowings	10,475.21	-	10,475.21	8,011.50	-	8,011.50
Current financial liabilities - Trade Payables	8,230.36	-	8,230.36	6,232.02	-	6,232.02
Current financial liabilities - Others	1,734.36	-	1,734.36	1,745.10	-	1,745.10
<b>Total</b>	<b>20,439.93</b>	<b>83,435.74</b>	<b>1,03,875.67</b>	<b>15,988.62</b>	<b>84,965.39</b>	<b>1,00,954.01</b>

#### Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	As at	
	31-03-2020	31-03-2019
Total Debt	92,001.52	91,153.11
Equity	64,311.54	70,613.48
Capital and net debt	1,56,313.06	1,61,766.59
Gearing ratio	58.86%	56.35%

### 44. Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to confirm to Ind AS presentation requirements.

The accompanying notes are integral part of the financial statements

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: Ahmedabad

Dated: 12<sup>th</sup> August, 2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## FORM AOC-1

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

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

Name of Subsidiary	Fineline Hospitality & Consultancy Pte Ltd		Lexon Hotel Ventures Limited		Leading Hotels Limited
	18.10.2010		29.01.2013		29.01.2013
Date since acquired	INR in Lakhs	USD in Lakhs	INR in Lakhs	USD in Lakhs	INR in Lakhs
1. Reporting Period	31st March, 2020		31st March, 2020		31st March, 2020
2. Share Capital	78,770.17	1,044.89	1.24	0.02	2,087.69
3. Other Equity	(3,459.01)	(45.88)	14,323.81	190.01	7,664.72
4. Total Assets	75,388.67	1,000.04	15,471.66	205.23	40,979.01
5. Total Liabilities	77.51	1.03	1,146.61	15.21	31,226.60
6. Investments	75,385.90	1,000.00	15,456.11	205.03	0.00
7. Turnover	0.00	0.00	0.00	0.00	0.00
8. Profit / (Loss) before taxation	(11.54)	(0.16)	(133.01)	(1.88)	(15.94)
9. Provision for taxation	0.00	0.00	0.00	0.00	0.00
10 Profit / (Loss) after taxation	(11.54)	(0.16)	(133.01)	(1.88)	(15.94)
11. Total Comprehensive Income	(11.54)	(0.16)	(133.01)	(1.88)	(15.94)
12. Proposed Dividend	-	-	-	-	-
13. % of shareholdings	100.00		80.00		79.81

#### Notes:

- i) Converted into Indian Rupees at the closing exchange rate USD 1 = INR 75.3859 and average rate USD 1 = INR 70.8791
- ii) These Financial statements of Subsidiaries (other than Leading Hotels Limited) have been audited by the auditors other than the Statutory Auditors of the Company, i.e, Dhirubhai Shah & Co. LLP.
- iii) Leading Hotels limited is developing an all villa hotel complex, including an 18 hole golf course at Goa and yet to commence operation.
- iv) The Company has not divested its interest in any subsidiary during the year under review.

#### ON BEHALF OF THE BOARD OF DIRECTORS

**SHIV KUMAR JATIA**  
Chairman & Managing Director  
DIN: 00006187

**DR. LALIT BHASIN**  
Director & Chairman of  
Audit Committee  
DIN: 00001607

**PRAKASH SHARMA**  
Vice President- Finance  
(Chief Financial Officer)

**DINESH KUMAR JAIN**  
Vice President-Corporate Affairs  
& Company Secretary  
Membership Number: FCS 6224

Place: New Delhi  
Dated: 12<sup>th</sup> August, 2020

# ASIAN HOTELS (NORTH) LIMITED

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Asian Hotels (North) Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Asian Hotels (North) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Subject to foregoing, 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 the consolidated state of affairs of the Group as at 31 March 2020, and its consolidated loss, total consolidated comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Qualified Opinion

- i. **Attention is invited to Note No. 45 for non-provision of interest liability amounting to Rs. 17.67 Crore by the Company, relating to Inter Corporate Deposits and other financial commitments. The non-provisioning of interest has resulted in understatement of CWIP to the extent of Rs. 17.67 Crore.**

### Material Uncertainty Regarding Going Concern of Leading Hotels Limited, Subsidiary Company:

- i. We draw attention to Note 45 with regards to the financial statements of the subsidiary company, Leading Hotels Limited. On account of ongoing litigations at various regulatory forums which are sub judice at this point in time and has resulted in substantial delay in the development of villa, hotel complex and a 18 hole, 72 par championship golf course. This has resulted in shortage of funds whereby the Company has also defaulted in interest repayment obligations for January 2020 & February 2020 with respect to Bank Loans amounting to Rs. 2.56 Cr. The financial statements indicate net current liabilities of the Company at Rs. 144.91 Cr. as on the balance sheet date.

Further, the current Covid-19 pandemic scenario has severely dented the future prospects of the Hospitality sector that casts significant doubts with respect to the company's ability to meet its existing financial obligations as well as the continuation of the project itself.

However, as informed to us by the management, the Company is in the process of mobilising the required funds and has received a non-binding offer from a potential investor on 20<sup>th</sup> July, 2020 (subject to fulfilment of certain conditions precedent). Further, the Company has also been able to get sanction of credit facility from a NBFC amounting to Rs. 75 Crores which will enable the Company to revive its development of the project and meet the remaining financial obligations.

The measures above are contingent upon approval of lenders and fulfilment of the condition precedents, which are not wholly under the control of the Company. The Company's ability to continue as a going concern largely is dependent on the successful outcome(s) of the above mentioned fund raising plans.

As stated in the note, the management is confident of obtaining required approvals from the lenders and fulfilment of the condition precedent. The management is also confident of infusing additional funds in the Company by way of credit line drawn from NBFC to meet Company's financial obligations and thereby continuing project development. Having regard to the aforesaid, the standalone financial statements presently have been prepared on the basis that the Company will continue as a going concern and hence no adjustments have been made to the classification of the assets and liabilities and its carrying values.

Our opinion is not modified in respect of this matter.

### Emphasis of Matter

#### (i) Implications owing to COVID-19 Pandemic on Group:

- A. Refer Note 41 with reference to implications of Covid-19 pandemic. The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there appears to be significant disruptions in the business of the group going forward amidst the continuity of the Covid-19 pandemic and the industry in which the group operates continues to see a sluggish outlook in most part of the year 2020-21.

The impact of coronavirus on the Group's business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries, among others. A definitive assessment of the impact is not possible in view of the high uncertain economic environment and the scenario is still evolving. The Group has evaluated its liquidity position and recoverability and carrying values of its assets and changes in financial risks such as credit risk, liquidity risk, currency risk and other price risk, and changes in objectives, policies and processes for managing those risks are expected. Evaluation of management's assessment around going concern revolves around at a minimum involve, evaluation of reliability of cash flow forecast prepared by the management considering change in economic environment, management's plan for future actions and assessing its feasibility in the circumstances.

# ASIAN HOTELS (NORTH) LIMITED

Considering the projections made by the group management, it appears that the COVID-19 scenario has pegged back the cash flows of the group significantly because of the lockdown situation in the hospitality sector in most period of the Q1 of FY 2020-21 and further the grim situation of cash flows from the projections made by the management for FY 2020-21 as also the ability to access cash in other ways such as from government payments, factoring receivables or supplier financing and reductions in the employees' emoluments across the board are the negative indicators hinting towards a dull year for the group.

In view of Group's assessment check on the operations of the group, there appears to be a huge implications on the financials of the group in the short term scenario say for the year 2020-21.

## (ii) Material Uncertainty related to outcome of contingent liabilities:

Refer Note 34 (b), (d), (e), (f) & (g) which, describe the uncertainty related to the outcome of certain disputes and law-suits filed against the Group. The impact (if any) of these disputes/law-suits on the consolidated financial statements of the Group could not be ascertained.

Our opinion is not modified in respect of the above (i) and (ii) matters.

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

### 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 for the financial year ended March 31, 2020. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter Description	Response to Key Audit Matter
<p>A. Assessment of:</p> <p>a) Impairment of carrying value of investments in a subsidiary</p> <p>Refer note 5 to the financial statements of the Company.</p> <ul style="list-style-type: none"> <li>- The Company has investments (net) of Rs. 56,585.12 Lakhs in equity and preference shares of Finline Hospitality &amp; Consultancy Pte Ltd, Mauritius ("FHCPL"), a subsidiary, ("investments in subsidiary") as at 31st March, 2020. FHCPL has a further step-down subsidiary named Lexon Hotel Ventures Limited, Mauritius ("Lexon") wherein FHCPL holds 80% shares. Lexon has named further step down subsidiary ne Leading Hotels Limited ("LHL"), being ultimate subsidiary of the company wherein the company establishes significant equity control.</li> <li>- The total exposure of the Company in respect of above is significant to the standalone financial statements of the Company.</li> <li>- Considering the current financial position and status of the project of one of the subsidiaries "LHL", there are indications of potential impairment of the equity investments in subsidiary as set out in above paragraphs.</li> <li>- The Management has assessed the impairment of its investments in its subsidiary using the business forecasts of "LHL" applying the Discounted Cash Flow Method of valuation (the "model") and noted that at present there is no requirement for making any provision for impairment in respect of these investments.</li> <li>- We considered this as a key audit matter due to significant judgement involved in considering the impairment implications if any based on our review of present situation of the project as on date of signing, the valuation reports submitted by the Independent Valuers to support the carrying value of above investments, significant assumptions used for arriving at the valuations such as discount rate, terminal growth rate, etc. adopted in the model.</li> </ul>	<p>Principal Audit Procedures</p> <p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of the Company's controls over review of impairment assessment of investments in subsidiary;</li> <li>• In respect of impairment assessment of investments in subsidiary (LHL): <ul style="list-style-type: none"> <li>(i) Testing the mathematical accuracy of the underlying model and checking the impairment assessment prepared by the management;</li> <li>(ii) Comparing the business forecasts with the latest approved management approved budgets;</li> <li>(iii) Considered the work of external independent valuation expert engaged by the Company;</li> <li>(iv) Performed audit procedures for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as Discount rates, terminal growth rate etc.;</li> <li>(v) Assessed the independent valuation expert's methods and working;</li> <li>(vi) Examined and assessed the Land Valuation report obtained from the Registered valuer appointed by the management;</li> <li>(vii) Verified the terms of the non-binding agreement entered in to by the Company with the investor along with condition precedents attached thereto for assessing the underlying value of the investment</li> <li>(viii) Reviewed the fund raising plans i.e. sanction letter from NBFC's for the additional funding requirement for assessing the continuity and viability of the project</li> </ul> </li> </ul> <p>Based on the above procedures performed, we noted that the Management's assessment of impairment of investments based on valuation reports received in subsidiary "FHCPL" is reasonable.</p>

# ASIAN HOTELS (NORTH) LIMITED

Key Audit Matter Description	Response to Key Audit Matter
<p><b>B. Assessment of recoverability of Deferred Tax Assets recognized on tax losses (Refer Note 8 to the Financial Statements.)</b></p> <ul style="list-style-type: none"> <li>- The Company has recognised deferred tax assets on unabsorbed depreciation and deductions based on actual payments (together hereinafter referred to as "tax losses") carried forward from the previous years as well as current year losses. The assets have been recognised on the basis of the Company's assessment of availability of future taxable profit to offset such tax losses based on business projections for the future years.</li> <li>- The recoverability of the deferred tax assets depends upon factors such as the projected taxable profitability of business and the period considered for such projections, the rate at which those profits will be taxed and the period over which tax losses will be available for recovery.</li> </ul> <p>This was considered as a key audit matter as the amount is material to the financial statements and significant judgement in key assumptions was required by the Company's Management in the preparation of forecasts of future taxable profits based on the underlying business plans.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>(i) Evaluation of the design and testing pertaining to effectiveness of Company's controls relating to taxation and the assessment of carrying amount of deferred tax assets relating to unabsorbed tax losses;</li> <li>(ii) Assessing the reasonableness of the period of projections used in the deferred tax asset recoverability assessment considering that the Company operates in a highly competitive industry which is subject to disruptions through changing macro scenario;</li> <li>(iii) Comparing the Company's performance for the year with the approved budget to assess the reasonableness of the assumptions;</li> <li>(iv) Comparing the Company's projections of future taxable profit to the approved business plans;</li> <li>(v) Testing, whether projections prepared were consistent with our understanding and knowledge of current business and the general economic environment in which the Company operates and whether the tax losses can be utilized within the forecast recoupment period;</li> <li>(vi) Testing the assumptions used by analyzing the impact on taxable profit using different growth rates and profit margins;</li> <li>(vii) Reviewing the adequacy of disclosures made in the financial statements with regard to deferred taxes.</li> </ul> <p>Based on the above procedures performed, our testing did not identify any material exceptions with respect to the reasonability of the assumptions and estimates used by the management in assessing the recoverability of Deferred Tax Asset recognised in respect of tax Losses.</p>
<p><b>C. Evaluation of uncertain tax matters</b></p> <p>The Group has a material uncertain income tax litigations going on. The matters are presently disputed and is being contested at appropriate tax forums.</p> <p>Considering the significance and uncertainty involved in the matters, we have considered this to be a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have performed the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Obtained details of assessment notice / order.</li> <li>2. Obtained necessary details from the tax consultant regarding on going tax litigations</li> <li>3. Verified whether the Group has taken appropriate steps to defend itself before the appellate authorities and has filed necessary appeal as per the prescribed process within the given timelines.</li> </ol>
<p><b>D. Non-Payment/belated payment of Interest to Bankers / Lenders in case of Subsidiary Company, Leading Hotels Limited</b></p> <p>Company has not paid/paid belatedly interest amount to Bankers / Lenders.</p> <p>Payment of interest to Bankers / Lenders in time reflects on the health of the company apart from the need for us to report on such issues to the members.</p> <p>We have, therefore, considered payment of interest to Bankers / Lenders' dues as a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have performed the following audit procedures.</p> <ol style="list-style-type: none"> <li>1. Obtained details of interest payments to be made by company on term loan and inter-corporate &amp; other deposits.</li> <li>2. Evaluated the existence of internal controls relating to compliance with interest payments with Bankers / Lenders.</li> <li>3. Verified that whether company has been regular in payment of interest dues.</li> </ol>

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

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

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

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

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.



# ASIAN HOTELS (NORTH) LIMITED

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The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 are also responsible for overseeing the financial reporting process of the Group.

## **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 Act, we are also responsible for expressing our opinion on whether the Holding 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 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 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 of which we are the independent auditors and whose financial information we have audited, 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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.

## **Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, we report that:

# ASIAN HOTELS (NORTH) LIMITED

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- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) Except for the effects of the matter described in paragraph of Basis for Qualified Opinion above, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account mentioned for the purpose of preparation of the consolidated financial statement;
- (d) Except for the effects of the matter described in paragraph I & II of the Basis of Qualified Opinion above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company of its subsidiary incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, its and its subsidiary companies incorporated in India, refer to our separate report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiary to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 34 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary incorporated in India during the year ended March 31, 2020.

**For Dhirubhai Shah & Co LLP**

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

UDIN: 20016502AAAAAM5255

Place: Ahmedabad

Date: 12<sup>th</sup> August, 2020

## **Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Asian Hotels (North) Limited**

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

In conjunction with our audit of the consolidated financial statements of Asian Hotels (North) Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Asian Hotels (North) Limited (hereinafter referred to as the "Holding Company"), its subsidiary company, which is company incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company its subsidiary company, which are company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient

# ASIAN HOTELS (NORTH) LIMITED

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conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

A Holding company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 consolidated financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

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

## **Opinion**

In our opinion, the Holding Company and its subsidiaries 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 2020, based on the internal control over financial reporting criteria established by the Group 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 Dhirubhai Shah & Co LLP*

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

UDIN: 20016502AAAAAM5255

Place: Ahmedabad

Date: 12<sup>th</sup> August, 2020

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

	Note No.	As at 31-03-2020 Rs. In Lakhs	As at 31-03-2019 Rs. In Lakhs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4	1,22,520.38	1,25,829.53
(b) Capital Work in Progress	4	27,885.18	25,585.98
(c) Intangible Assets	4	50,144.20	50,094.08
(d) Financial Assets			
(i) Investments	5	142.54	142.54
(ii) Loans	6	40.55	47.73
(iii) Others	7	502.36	372.19
(e) Deferred Tax Assets (Net)	8	3,857.37	2,775.37
(f) Other Non-Current Assets	9	1,524.50	1,720.73
		<u>2,06,617.08</u>	<u>2,06,568.15</u>
<b>CURRENT ASSETS</b>			
(a) Inventories	10	1,032.84	1,126.79
(b) Financial Assets			
(i) Trade Receivables	11	1,283.87	1,666.23
(ii) Cash and Cash Equivalents	12	198.14	519.86
(iii) Bank Balance other than (ii) above	13	4.55	7.28
(iv) Others	14	3,678.02	3,756.84
(c) Other Current Assets	15	485.06	554.02
		<u>6,682.48</u>	<u>7,631.02</u>
<b>TOTAL ASSETS</b>		<u><u>2,13,299.56</u></u>	<u><u>2,14,199.17</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	1,945.32	1,945.32
(b) Other Equity	17	61,091.03	68,439.76
(c) Non-controlling interests		2,747.39	2,540.39
		<u>65,783.74</u>	<u>72,925.47</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	96,026.17	98,623.01
(ii) Other Financial Liabilities	19	1,909.43	1,823.78
(b) Provisions	20	421.79	462.28
(d) Other Non-Current Liabilities	21	2,126.56	2,126.56
		<u>1,00,483.95</u>	<u>1,03,035.63</u>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	25,159.55	19,705.52
(ii) Trade Payables	23	8,338.31	6,336.81
(iii) Other Financial Liabilities	24	2,757.46	2,300.79
(b) Other Current Liabilities	25	10,463.87	9,622.64
(c) Provisions	26	312.68	272.32
		<u>47,031.87</u>	<u>38,238.07</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>2,13,299.56</u></u>	<u><u>2,14,199.17</u></u>

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3  
The accompanying notes 1 to 46 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: Ahmedabad

Dated: 12<sup>th</sup> August, 2020

ON BEHALF OF THE BOARD OF DIRECTORS

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

	Note No.	2019-20 Rs. In Lakhs	2018-19 Rs. In Lakhs
<b>INCOME</b>			
Revenue from operations	27	25,239.39	27,352.28
Other income	28	1,468.69	400.56
<b>TOTAL INCOME</b>		<b>26,708.08</b>	<b>27,752.84</b>
<b>EXPENSES</b>			
Consumption of provisions, beverages, smokes and others	29	3,672.19	3,866.81
Employee benefits expense	30	6,918.19	6,553.57
Finance Costs	31	12,678.37	11,439.79
Depreciation and amortization expenses	4	1,828.47	1,968.42
Less: included as part of capital work-in-progress		(35.23)	(42.40)
Other expenses	32	9,201.75	8,803.65
<b>TOTAL EXPENSES</b>		<b>34,263.73</b>	<b>32,589.83</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b><u>(7,555.65)</u></b>	<b><u>(4,836.99)</u></b>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<b><u>(7,555.65)</u></b>	<b><u>(4,836.99)</u></b>
Tax items			
Current tax		-	-
Earlier years tax provisions (written back)		-	34.49
Deferred tax asset / (liability)		1,082.00	895.66
Total tax items		1,082.00	930.15
<b>Profit/(Loss) for the year</b>		<b><u>(6,473.65)</u></b>	<b><u>(3,906.84)</u></b>
<b>Other Comprehensive Income</b>			
Items that will not be classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		11.25	17.73
Additional depreciation on account of revaluation		-	-
<b>Other Comprehensive Income/ (Loss) for the year</b>		<b>11.25</b>	<b>17.73</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b><u>(6,462.40)</u></b>	<b><u>(3,889.11)</u></b>
<b>Net profit / (loss) attributable to:</b>			
Owners		(5,908.44)	(3,565.73)
Non-controlling interest		(565.21)	(341.10)
<b>Other comprehensive income / (loss) attributable to:</b>			
Owners		10.27	16.18
Non-controlling interest		0.98	1.55
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners		(5,898.17)	(3,549.55)
Non-controlling interest		(564.23)	(339.56)
<b>Earnings Per Equity Share (Basic and Diluted) (In Rs.)</b>	33	<b>(33.28)</b>	<b>(20.08)</b>
<b>Corporate Information, Basis of Preparation &amp; Significant Accounting Policies</b>	1-3		

The accompanying notes 1 to 46 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

Place: Ahmedabad

Dated: 12<sup>th</sup> August, 2020

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

	2019-20 Rs. In Lakhs	2018-19 Rs. In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) Before Tax</b>	<b>(7,555.64)</b>	<b>(4,836.99)</b>
Adjustments for:		
Depreciation and amortization	1,828.47	1,968.42
Interest and finance charges	12,678.37	11,439.79
Interest income	(5.45)	(145.95)
(Gain)/Loss on fixed assets sold/ discarded (net)	(731.37)	(183.45)
Net unrealized (gain)/loss on foreign currency transaction and translation	1,847.96	1,285.23
Bad debts / advances written off	-	-
Provision for bad & doubtful debts/advances (written back)	6.45	0.07
Excess Provisions / Liability no longer required written back	(53.92)	(27.39)
<b>Operating Profit before Working Capital Changes</b>	<b>8,014.87</b>	<b>9,499.72</b>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	399.85	(1,415.46)
(Increase)/decrease in inventories	93.95	34.50
Increase/(decrease) in trade payables, other liabilities and provisions	2,259.63	2,803.84
<b>Cash Generated from Operations</b>	<b>10,768.30</b>	<b>10,922.59</b>
Income taxes (Net)	196.23	(425.96)
<b>Net Cashflow from Operating Activities</b>	<b>10,964.53</b>	<b>10,496.63</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions during the year	(203.30)	(896.98)
Capital work in progress	(2,299.40)	(2,806.29)
Proceeds from sale of fixed assets	2,365.42	663.00
Investments in bank deposits (with original maturity over 3 months)	-	-
Proceeds from bank deposits (with original maturity over 3 months)	-	328.00
Investments in shares	-	-
Interest received	9.03	142.77
<b>Net Cashflow from Investing Activities</b>	<b>(128.45)</b>	<b>(2,569.50)</b>

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

	2019-20 Rs. In Lakhs	2018-19 Rs. In Lakhs
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net inflow / (outflow) on account of borrowings	1,009.02	2,966.61
Interest and finance charges	(12,166.84)	(11,245.32)
<b>Net Cashflow from Financing Activities</b>	<b>(11,157.83)</b>	<b>(8,278.71)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(321.76)</b>	<b>(351.57)</b>
Cash and Cash Equivalents-Opening	519.86	871.42
<b>Cash and Cash Equivalents - Closing</b>	<b>198.10</b>	<b>519.86</b>

### NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flow
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

**Detail of Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:**

	As at 31-03-2020 (Rs. In lakhs)	As at 31-03-2019 (Rs. In lakhs)
<b>DETAIL OF CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
In current accounts	180.37	503.72
In bank OD a/c	7.28	-
Cash on hand	10.49	16.14
	<b>198.14</b>	<b>519.86</b>

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

**Place: Ahmedabad**

**Dated: 12<sup>th</sup> August, 2020**

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> March, 2020

### (A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2020

(Rs. In Lakhs)

Balance as at 1st April, 2019	Changes during the year	Balance as at 31st March, 2020
1,945.32	-	1,945.32

For the year ended 31st March, 2019

(Rs. In Lakhs)

Balance as at 1st April, 2018	Changes during the year	Balance as at 31st March, 2019
1,945.32	-	1,945.32

### (B) OTHER EQUITY

For the year ended 31st March, 2020

Particulars	Capital Reserve	General Reserve	Capital Redemption Reserve	Security Premium Account	Tourism Development Reserve	Revaluation Reserve	Retained Earnings	FVOCI Reserve	Foreign Exchange Translation Reserve	Total Equity
Balance as at 1st April, 2019	1.41	8,863.57	990.00	32,994.83	-	-	20,501.61	548.90	4,539.44	68,439.76
Profit/(Loss) for the year	-	-	-	-	-	-	(5,908.44)	-	-	(5,908.44)
Transfer from / to	-	-	-	-	-	-	-	-	(1,450.56)	(1,450.56)
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	10.27	-	10.27
<b>For the year ended 31st March, 2020</b>	<b>1.41</b>	<b>8,863.57</b>	<b>990.00</b>	<b>32,994.83</b>	<b>-</b>	<b>-</b>	<b>14,593.17</b>	<b>559.17</b>	<b>3,088.88</b>	<b>61,091.03</b>

For the year ended 31st March, 2019

Particulars	Capital Reserve	General Reserve	Capital redemption reserve	Security premium account	Tourism Development Reserve	Revaluation Reserve	Retained Earnings	FVOCI Reserve	Foreign Exchange Translation Reserve	Total Equity
Balance as at 1st April, 2018	1.41	8,863.57	990.00	32,994.83	-	-	24,067.34	532.72	4,478.53	71,928.40
Profit/(Loss) for the year	-	-	-	-	-	-	(3,565.73)	-	-	(3,565.73)
Foreign translation gain	-	-	-	-	-	-	-	-	60.91	60.91
Transfer from / to	-	-	-	-	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	16.18	-	16.18
<b>Balance as at 31st March, 2019</b>	<b>1.41</b>	<b>8,863.57</b>	<b>990.00</b>	<b>32,994.83</b>	<b>-</b>	<b>-</b>	<b>20,501.61</b>	<b>548.90</b>	<b>4,539.44</b>	<b>68,439.76</b>

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

ON BEHALF OF THE BOARD OF DIRECTORS

**Kaushik D Shah**

Partner

Membership Number: 016502

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

Place: Ahmedabad

Dated: 12<sup>th</sup> August, 2020



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 1. GROUP INFORMATION

Asian Hotels (North) Limited (the Holding Company) is a public limited company domiciled in India, incorporated under the provisions of the Companies Act, 1956 and listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Holding Company is operating a Five Star deluxe Hotel namely Hyatt Regency in Delhi since 1982. The Holding Company has three subsidiaries as on the balance sheet date namely Fineline Hospitality & Consultancy Pte Ltd., an overseas subsidiary, incorporated in Mauritius provides offshore project consultancy services; Lexon Hotel Ventures Limited is incorporated in Mauritius also provides offshore project consultancy services; Leading Hotels Limited incorporated in India is developing an all Villa Hotel Complex, including residential villas and an 18 hole, 72 pars Championship Golf Course in Goa (India).

### 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015 and with the applicable provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

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

- Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
- Defined benefit plans
- Contingent consideration

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

### 2A. Principles of Consolidation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS 110) – “Consolidated Financial Statements”. These consolidated financial statements comprise the financial statements of the Company and its following subsidiaries: -

Name of the Company	Country of Incorporation	Effective % of holding as at 31 <sup>st</sup> March, 2020	Effective % of holding as at 31 <sup>st</sup> March, 2019
Fineline Hospitality & Consultancy Pte Ltd (FHCPL)- an Overseas Subsidiary	Mauritius	100.00%	100.00%
Lexon Hotel Ventures Limited (Lexon), a subsidiary of FHCPL	Mauritius	80.00%(#)	80.00%(#)
Leading Hotels Limited (LHL), a subsidiary of Lexon	India	79.81%(^)	79.81%(^)

(#) i.e., 100.00% of 80.00 % held by FHCPL.

(^) i.e. 80.00% of 99.76% held by Lexon

These consolidated financial statements have been prepared on the following basis:

- (i) the financial statements of the Holding Company, its Overseas Wholly Owned Subsidiary and its Indian Subsidiary have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions, if any, based on the special purpose audited Ind AS consolidated financial statements received from the Overseas Subsidiary and audited financial statement received from the Indian Subsidiary for the year ended 31<sup>st</sup> March 2020, in Indian Rupees as per the Indian Accepted Accounting Policies.
- (ii) These consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- (iii) The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) Goodwill arising out of consolidation is tested for impairment at each balance sheet date.
- (v) Non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Holding Company's shareholders.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 2A PRINCIPLES OF CONSOLIDATION ...contd.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: -

- (a) the amount of equity attributable to non-controlling interest at the date on which investment in Subsidiary is made; and
- (b) the non-controlling share of movements in equity since the date the parent – subsidiary relationship came into existence.

Minority interests share of Net Profit / (Loss) (including share of Foreign Exchange Translation Reserve) of consolidated subsidiaries for the relevant period is identified and adjusted against the profit after tax of the group.

### 2B Use of Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policy 3.9
- b) Estimated useful life of property plant & equipment and intangible assets – Refer accounting policy 3.1
- c) Estimation of defined benefit obligation – Refer accounting policy 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policy 3.12
- e) Recognition of revenue - Refer accounting policy 3.4
- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policy 3.9
- g) Impairment of financial assets – Refer accounting policy 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

#### Current versus non-current classification

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

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period, or
- d. 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:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property, plant and equipment

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

##### Tangible Fixed Assets:

- (a) Depreciation is charged using straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II to the Act) of the cost of the assets is used for the purpose of calculating the depreciation charge. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods.
- (b) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (c) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve and credited to the Other Comprehensive Income based on guidance provided by "Application Guide on the Provisions of Schedule II to the Companies Act, 2013" issued by the Institute of Chartered Accountants of India read with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2016 as amended by the Companies (Indian Accounting standards) (Amendment) Rules, 2016.
- (d) No depreciation is charged on the assets sold/ discarded during the year.

##### Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

##### Capital Work- in- progress:

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period has been set off from the interest expense accounted for as expenditure during the construction period.

#### 3.2 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Group measures it on the basis of discounted cash flows of next five years' projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### 3.3 Foreign Currency Transactions

The Group's financial statements are presented in INR, which is also the Group's functional currency.

##### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

##### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

##### Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that give rise to the translation difference (i.e. translation difference on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

#### 3.4 Revenue recognition

Effective 01 April 2018, the Group (wherever applicable) has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Specifically,

- (i) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer or the agreed milestones are achieved and are net of service tax, wherever applicable.
- (ii) For all debt instruments measured either at amortized cost or at fair value through other comprehensive income [OCI], interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group 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.
- (iii) Dividend income from investments is recognized when the Group's right to receive payment is established which is generally when shareholders approve the dividend.
- (iv) Income from generation of electricity is recognized when the actual generated units are transferred and billed to the buyer.
- (v) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.
- (vi) Excise duty (upto 30<sup>th</sup> June, 2017) is a liability of the Group, which forms part of the cost of production, irrespective of whether the goods are sold or not. Therefore, the recovery of excise duty flows to the Group on its own account and hence revenue includes excise duty.

#### 3.5 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.

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### A. Financial Assets

##### a. Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Group settle commits to purchase or sell the asset.

##### b. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

##### i. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- 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 effective interest rate [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 Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

##### ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- 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 other comprehensive income [OCI]. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

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. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

##### iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has made such election on an instrument by- by instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### c. Derecognition:

A financial asset is primarily derecognized when:

- i. The Group 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 Group has transferred substantially all the risks and rewards of the asset, or [b] the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- ii. the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

#### d. Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, deposits, trade receivables and bank balance
- b. Trade receivables or any contractual right to receive cash
- c. Financial assets that are debt instruments and are measured as at FVTOCI
- d. Lease receivables under Ind AS 17
- e. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on Point c and d provided above. The application of simplified approach requires the Group to recognize the 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 Group 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.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- b. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

### B. Financial liabilities:

#### a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### b. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

##### i. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

##### ii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. 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 as finance costs in the statement of profit and loss.

##### iii. Financial guarantee contracts:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

#### c. 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.

#### C. Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

#### D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 3.6 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

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

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

#### 3.7 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost is determined by weighted average method. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

#### 3.8 Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

- (i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. There is no obligation other than the contribution payable to the respective fund.
- (ii) The Group also provides for retirement benefits in the form of gratuity and compensated absences/ Leave encashment in pursuance of the Group leave rules. The Group's liability towards such defined benefit plans are determined based on valuations as at the Balance Sheet date made by independent actuaries. The classification of the Group's net obligation into current and non-current is as per the actuarial valuation report.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset

#### 3.9 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Group operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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



# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

#### 3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the Group during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

#### 3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

#### 3.12 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

#### 3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 3.14 Leases

The determination of whether an arrangement is [or contains] a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

- A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- Lease other than finance lease are operating lease and these leased assets are not recognized in the Group's statement of financial position but are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Group is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the primary period of the lease unless another systematic basis is more representative of the time pattern of the user's benefit.

#### 3.15 Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 4- PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Furniture & Fittings	Plant and Equipments	Office Equipment	Computers	Vehicles	Goodwill	Total	Capital Work-in progress
<b>Cost:</b>										
As at 1st April, 2018	92,903.37	27,944.34	7,803.79	15,167.61	73.96	462.69	1,616.43	49,524.81	1,95,497.00	22,940.30
Additions	0.42	89.34	37.07	286.68	1.93	29.77	43.11	569.27	1,057.59	2,806.29
Disposals / transfers	-	324.08	47.05	112.20	-	-	236.09	-	719.42	160.61
<b>As at 31st March, 2019</b>	<b>92,903.80</b>	<b>27,709.59</b>	<b>7,793.82</b>	<b>15,342.09</b>	<b>75.89</b>	<b>492.45</b>	<b>1,423.45</b>	<b>50,094.08</b>	<b>1,95,835.16</b>	<b>25,585.98</b>
Additions	0.42	1,264.11	76.24	295.05	5.62	50.46	406.38	-	2,097.86	0.20
Disposals / transfers	-	20.78	21.94	48.48	-	-	148.67	-	239.87	-
<b>As at 31st March, 2020</b>	<b>92,904.22</b>	<b>26,445.48</b>	<b>7,743.17</b>	<b>15,134.74</b>	<b>71.98</b>	<b>479.93</b>	<b>1,017.07</b>	<b>50,144.20</b>	<b>1,93,940.79</b>	<b>27,885.18</b>
<b>Accumulated depreciation:</b>										
As at 1st April, 2018	-	3,810.30	5,622.66	7,678.87	49.80	417.49	603.90	-	18,183.02	-
Depreciation charged during the year	-	462.58	432.73	863.62	7.96	19.38	182.15	-	1,968.42	-
Disposals / transfers	-	20.78	21.94	48.48	-	-	148.67	-	239.87	-
<b>As at 31st March, 2019</b>	<b>-</b>	<b>4,252.10</b>	<b>6,033.44</b>	<b>8,494.02</b>	<b>57.75</b>	<b>436.87</b>	<b>637.38</b>	<b>-</b>	<b>19,911.58</b>	<b>-</b>
Depreciation charged during the year	-	442.21	419.50	828.48	6.75	16.42	115.11	-	1,828.47	-
Disposals / transfers	-	87.37	32.77	84.25	5.25	47.94	206.25	-	463.82	-
<b>As at 31st March, 2020</b>	<b>-</b>	<b>4,606.95</b>	<b>6,420.18</b>	<b>9,238.24</b>	<b>59.25</b>	<b>405.36</b>	<b>546.25</b>	<b>-</b>	<b>21,276.23</b>	<b>-</b>
<b>Net book value</b>										
As at 31st March, 2019	92,903.80	23,457.50	1,760.37	6,848.08	18.14	55.58	786.07	50,094.08	1,75,923.61	25,585.98
<b>As at 31st March, 2020</b>	<b>92,904.22</b>	<b>21,838.54</b>	<b>1,322.99</b>	<b>5,896.50</b>	<b>12.73</b>	<b>74.57</b>	<b>470.82</b>	<b>50,144.20</b>	<b>1,72,664.59</b>	<b>27,885.18</b>

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 4 PROPERTY, PLANT AND EQUIPMENT...contd.

<b>(a) Building includes leasehold improvement:</b>	<b>As at 31-03-2020 (Rs. In Lakhs)</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>
Gross value	37.44	37.44
Accumulated depreciation	37.44	33.88
Depreciation charge for the year	3.57	5.35
Net value	-	3.57
<b>(b) Vehicles includes those financed:</b>	<b>As at 31-03-2020 (Rs. In Lakhs)</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>
Gross value	647.56	1,312.29
Net value	391.00	762.07
<b>(c) Land (freehold) and Plant and Equipments includes assets relating to the business of generation of electricity</b>		
<b>Land (freehold)</b>	<b>As at 31-03-2020 (Rs. In Lakhs)</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>
Gross value	34.00	34.00
Net value	34.00	34.00
<b>Plant and Equipments</b>	<b>As at 31-03-2020 (Rs. In Lakhs)</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>
Gross value	1,857.02	1,857.02
Net value	827.76	901.26
<b>(d) Capital Work in Progress consists of :</b>	<b>As at 31-03-2020 (Rs. In Lakhs)</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>
Balance at the beginning of the year	25,585.98	22,940.30
Building under construction	0.84	4.13
Technical and consultancy fees	20.09	166.08
Kitchen Equipments	4.75	3.15
Plant and Machinery under installation	-	-
Plumbing and sanitation	-	4.25
Air conditioning under installation	-	0.77
Elevators under installation and others	-	-
Furniture and Fixtures	40.44	-
Fire fighting equipments	-	-
Office, Housekeeping and other equipments	0.25	-
Music, TV and Cinematograph	-	-
Electrification	-	-
Expenditure during construction {Refer Note (e) below}	2,233.02	2,627.90
	<b>27,885.37</b>	<b>25,746.59</b>
Add: transfer from service tax cenvat (Reversal)	-	-
Less: Interest on security deposits Ind As	(0.20)	(0.04)
Less: Capitalized during the year	-	(160.57)
<b>Balance at the end of the year</b>	<b>27,885.17</b>	<b>25,585.98</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 4 PROPERTY, PLANT AND EQUIPMENT...contd.

- (e) All other expenses specifically attributable to construction have been accounted for as expenditure during construction. The Group has prepared the following Statement of Expenditure during construction:

	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>STATEMENT OF EXPENDITURE DURING CONSTRUCTION</b>		
Employee benefits expenses	3.39	238.55
Rent	8.62	14.88
Loan processing arranging fees	17.88	31.07
Legal and professional charges (Including loan processing and arranging fees)	-	1.79
Site office running expenses	25.80	40.82
Travelling expenses	1.34	10.86
Interest expenses*	2,119.57	2,228.34
Depreciation	35.23	42.40
Miscellaneous	21.18	19.20
	<b>2,233.02</b>	<b>2,627.90</b>

\* One of the subsidiaries has not provided for interest liability amounting to Rs.17,67,04,283/- (including for earlier year), (Previous Year Rs. 7,50,13,349/-) relating to Inter Corporate Deposits and other financial commitments, which forms part of the CWIP as at 31st March, 2020.

### 5. NON - CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unquoted investments:</b>		
<b>a. Investment in equity instruments</b>		
Others companies	142.54	142.54
	<b>142.54</b>	<b>142.54</b>
Aggregate amount of unquoted investments	142.54	142.54
Aggregate provision for diminution on value of investments	-	-

Details of Investments	Face value per unit in Rs. unless otherwise specified	No. of shares/units As at 31-03-2020	Value	
			31-03-2020 (Rs. In Lakhs)	31-03-2019 (Rs. In Lakhs)
Unquoted Investments:				
Investment in equity instruments				
Sandhya Hydro Power Projects Balagha Pvt. Ltd. *	Rs. 10	14,24,780	142.54	142.54
<b>Total</b>			<b>142.54</b>	<b>142.54</b>

### 6. NON - CURRENT FINANCIAL ASSETS - LOANS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unsecured, considered good, unless otherwise stated</b>		
Other loans:		
Loans to employees	40.55	47.73
	<b>40.55</b>	<b>47.73</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 7. NON - CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Bank deposits with original maturity greater than 12 months* (See Note - 12)	24.38	24.38
Security deposits	477.09	346.12
Rental deposits	0.89	1.68
	<b>502.36</b>	<b>372.19</b>

\*Includes as margin money deposit against borrowings from banks

### 8. TAXATION - DEFERRED TAX

#### I. Income tax related items charged or credited directly to profit or loss during the year

Particulars	2019-20	2018-19
<b>Statement of profit or loss</b>		
Current income tax	-	-
Prior year income tax / (reversal)	-	-
Deferred tax expense / (benefit)	(1,082.00)	(895.66)
<b>Total</b>	<b>(1,082.00)</b>	<b>(895.66)</b>

#### II. Income Tax Expense

##### Reconciliation

<b>Accounting profit / loss before tax</b>	(7,395.15)	(4,207.70)
Applicable tax rate	26.00%	31.20%
<b>Computed tax expense</b>	<b>(1,922.74)</b>	<b>(1,312.80)</b>

#### III. Deferred Tax relates to the following:

Particulars	Balance Sheet		Recognised in statement of profit or loss	
	As at 31-03-2020	As at 31-03-2019	2019-20	2018-19
Expense allowable on payment basis	(321.54)	530.82	(852.36)	(5.80)
Unused tax losses / depreciation	6,958.20	5,993.39	964.81	(691.67)
Minimum alternate tax (MAT) credit	778.15	778.15	-	-
Depreciation timing difference	(5,154.76)	(6,124.31)	969.55	(4.19)
Others	1,597.32	1,597.32	-	1,597.32
Earlier years tax provisions (written back)	-	-	-	-
<b>Deferred tax asset / (liability)</b>	<b>3,857.37</b>	<b>2,775.37</b>	<b>1,082.00</b>	<b>895.66</b>

#### Net income /(expense)

The group is having net deferred tax asset (DTA) as on 31st March, 2020 and on the basis of reasonable certainty concept as per Ind-AS provisions, the same has been recognized in the books of account.

### 9. NON - CURRENT ASSETS - OTHERS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Capital advances		
Considered good	23.88	23.88
Considered doubtful	-	-
	<b>23.88</b>	<b>23.88</b>
Less: Provision for doubtful advances	-	-
Advance income tax (net of provision for taxation)	1,500.62	1,696.85
	<b>1,524.50</b>	<b>1,720.73</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

10. INVENTORIES	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
(valued at lower of cost and net realizable value)		
Wines and liquor	262.08	450.11
Provisions, other beverages and smokes	204.84	204.84
Crockery, cutlery, silverware, linen etc.	474.97	396.29
General stores and spares	90.96	75.56
	<b>1,032.84</b>	<b>1,126.79</b>

- As per inventory taken and valued by the Management

11. TRADE RECEIVABLES	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unsecured</b>		
Other debts		
Considered good	1,283.87	1,666.23
Considered doubtful	-	-
	<b>1,283.87</b>	<b>1,666.23</b>
Less: Provision for doubtful debts	-	-
	<b>1,283.87</b>	<b>1,666.23</b>
Trade receivables includes:		
Debits related to generation of electricity business (See segment reporting note)	13.78	57.59

12. CASH AND CASH EQUIVALENTS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Balances with banks		
In current accounts	180.37	503.72
In bank OD a/c	7.28	-
Cash in hand	10.49	16.14
Cheque in hand	-	-
	<b>198.14</b>	<b>519.86</b>

13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Other balances		
Earmarked balances with banks for:		
Unpaid dividends #	4.55	7.28
Bank deposits *	-	-
	<b>4.55</b>	<b>7.28</b>

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2020

# includes excess deposit due to rounding-off of dividend payable on fractional shares	0.09	0.09
*Includes as margin money deposit against borrowings from banks	-	-
*under lien against guarantee given for loan taken by the holding company	-	-
*Against bank guarantee from bank	-	-

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

14. CURRENT FINANCIAL ASSETS - OTHERS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Interest accrued on fixed deposits	2.75	6.33
Security deposits	-	-
Advance recoverable in cash or kind	3,662.83	3,591.84
Others *	12.44	158.67
	3,678.02	3,756.84

\* Includes recoverable from DBS Bank on account of withholding tax deposited on their behalf

15. CURRENT ASSETS - OTHERS	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Unsecured, considered good, unless otherwise stated</b>		
Prepaid expenses	253.82	327.22
Balance with Statutory Authorities	231.23	226.80
	485.06	554.02

16. SHARE CAPITAL	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Authorised:</b>		
40,000,000 Equity Shares of Rs. 10 each (40,000,000 Equity Shares of Rs. 10 each as on 31st March, 2020 and 31st March 2019)	4,000.00	4,000.00
30,000,000 Preference Shares of Rs. 10 each (30,000,000 Preference Shares of Rs. 10 each as on 31st March, 2020 and 31st March 2019)	3,000.00	3,000.00
<b>Issued, Subscribed and paid-up:</b>		
19,453,229 Equity Shares of Rs. 10 each fully paid up (19,453,229 Equity Shares of Rs. 10 each fully paid up as on 31st March, 2020 and 31st March 2019)	1,945.32	1,945.32

### Notes:

#### (a) Reconciliation of the number of shares outstanding at the beginning at the end of the year:

Authorized Share Capital	As at 31-03-2020		As at 31-03-2019	
	No. of shares	Rs. (Lakhs)	No. of Shares	Rs. (Lakhs)
<b>(1) Equity Shares</b>				
Balance at the beginning of the year	4,00,00,000	4,000.00	4,00,00,000	4,000.00
Balance at the end of the year	4,00,00,000	4,000.00	4,00,00,000	4,000.00
<b>(2) Preference Shares</b>				
Balance at the beginning of the year	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Balance at the end of the year	3,00,00,000	3,000.00	3,00,00,000	3,000.00

Issued, subscribed and paid-up capital	As at 31-03-2020		As at 31-03-2019	
	No. of shares	Rs. (Lakhs)	No. of Shares	Rs. (Lakhs)
<b>(1) Equity Shares</b>				
Balance at the beginning of the year	1,94,53,229	1,945.32	1,94,53,229	1,945.32
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	1,94,53,229	1,945.32	1,94,53,229	1,945.32



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 16 SHARE CAPITAL....contd.

#### (b) Terms / rights attached to equity shares:

The Holding 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 Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31st March, 2020, the amount of per share dividend proposed as distribution to equity shareholders is Nil (31st March, 2019: Re. Nil).

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Details of shareholders holding more than 5 % shares in the Holding Company

	As at 31-03-2020		As at 31-03-2019	
	%	No. of shares	%	No. of shares
<b>Equity Shares of Rs. 10 each fully paid up</b>				
Fineline Holdings Limited, (an overseas promoter entity)	23.10	44,93,145	23.10	44,93,145
Yans Enterprises (H.K.) Limited, (an overseas promoter entity)	27.43	53,36,880	27.43	53,36,880
Mr. Shiv Kumar Jatia (Chairman & Managing Director & Promoter)	5.72	11,13,027	13.72	26,68,027
Asian Holdings Private Limited (a domestic promoter entity)	3.04	5,91,564	8.24	16,02,664

As per records of the Holding 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.

### 17. OTHER EQUITY

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Capital Reserve</b>		
Opening balance	1.41	1.41
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	1.41	1.41
<b>Capital Redemption Reserve for redeemed NCPS</b>		
Opening balance	990.00	990.00
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	990.00	990.00
<b>Securities Premium</b>		
Opening balance	32,994.83	32,994.83
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	32,994.83	32,994.83
<b>General Reserve</b>		
Opening balance	8,863.57	8,863.57
Additions during the financial year	-	-
Adjusted to FVTOCI reserve on transition to Ind AS	-	-
Closing balance	8,863.57	8,863.57

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

17. OTHER EQUITY ...contd.	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	20,501.61	24,067.34
Profit / (loss) during the year	(5,908.44)	(3,565.73)
Closing balance	<u>14,593.17</u>	<u>20,501.61</u>
<b>Fair Value through Other Comprehensive Income [FVTOCI] Reserve</b>		
Opening balance	548.90	532.72
Additional depreciation on account of re-valuation	-	-
- Re-measurement gains / (losses) on employee benefits	10.27	16.18
Closing balance	<u>559.17</u>	<u>548.90</u>
<b>Foreign Exchange Translation Reserve</b>		
Opening balance	4,539.44	4,478.53
Additions during the financial year	(1,450.56)	60.91
Closing balance	<u>3,088.88</u>	<u>4,539.44</u>
<b>Total of other equity - as at 31st March, 2020</b>	<b><u>61,091.03</u></b>	<b><u>68,439.76</u></b>
<b>18. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>		
	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Secured Term Loans</b>		
<b>From Banks</b>		
<i>External commercial borrowings</i>		
DBS Bank Limited	22,366.08	21,236.04
USD 296.69 Lakhs (Previous Year USD 307.01 Lakhs)		
<i>Other Term Loans</i>		
Bank of Maharashtra - Rupee Loan	22,200.02	23,412.31
Yes Bank Limited-Rupee loan	29,143.36	29,725.24
Punjab National Bank	14,004.57	14,485.82
IndusInd Bank	9,570.85	9,906.24
	<u>97,284.88</u>	<u>98,765.65</u>
Less: Adjustment of transaction costs as per Ind AS 109	(1,945.83)	(2,128.03)
	<u>95,339.05</u>	<u>96,637.62</u>
<i>For acquisition of /secured against vehicles</i>		
Axis Bank Limited- Rupee loan	-	4.02
ICICI Bank Limited- Rupee loan	29.85	170.13
HDFC Bank Limited- Rupee loan	22.87	46.96
<b>From Financial Institution</b>		
SREI Equipment Finance Ltd - Equipment Loan	-	25.21
Genesis Finance Company Limited - Rupee loan	347.83	632.19
<i>For acquisition of /secured against vehicles</i>		
Kotak Mahindra Prime Limited - Rupee loan	63.56	111.41
Toyota Financial Services - Rupee loan	11.50	21.40
<b>Unsecured Loans</b>		
Interest Free loans from:		
Promoter Director	150.77	138.34
Group Companies	60.74	835.72
	<u>96,026.17</u>	<u>98,623.01</u>

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 18. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

#### Nature of security and terms of repayment for secured current financial liabilities-borrowings:

- (a) DBS Bank Limited -External commercial borrowings (carried interest @ 3.25% p.a. plus LIBOR ) are secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. External commercial borrowings are repayable as under: (i) USD 143.01 Lakhs is payable in 18 unequal half yearly instalments till March, 2030; (ii) USD 153.68 Lakhs is payable in 11 unequal half yearly instalments till March, 2030.
- (b) Yes Bank Limited - Rupee loan of Rs. 4,393.60 Lakhs (carried interest @ 11.15% - 11.90% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 32 unequal quarterly instalments till July, 2030.
- (c) Yes Bank Limited - Rupee loan of Rs. 10,461.41 Lakhs (carried interest @ 11.60% - 12.35% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 34 unequal quarterly instalments till May, 2031.
- (d) Bank of Maharashtra (Term Loan I) of Rs. 19,280 Lakhs (carried interest @ 10.15% - 10.75% per annum) is secured by 1st Pari Passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is repayable in 41 unequal quarterly instalments till March, 2030.
- (e) Bank of Maharashtra (Term Loan II) of Rs. 4,253.75 Lakhs (carried interest @ 10.15% - 10.75% per annum) is secured by 1st Pari Passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is repayable in 41 unequal quarterly instalments till March, 2030.
- (f) IndusInd Bank Limited - Rupee loan of Rs. 9570.85 Lakhs (carried interest @ 10.10% - 10.40% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 17 unequal half yearly instalments till March, 2030.
- (g) Punjab National Bank - Rupee loan of Rs. 14,004.57 Lakhs (carried interest @ 9.35% - 10.15% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 34 unequal quarterly instalments till March, 2030.
- (h) Genesis Finance Company Limited - Rupee loan of Rs.347.83 Lakhs for business of generation of electricity (carried interest @ 12.00% per annum) is secured by first charge on plant & machinery pertaining to the windmill situated at Sinner in Maharashtra and personal guarantee of Chairman & Managing Director. The loan is repayable in 67 unequal monthly instalments up to October 2027.
- (i) ICICI Bank-Rupee loan (carried interest @ 9.84% per annum) is secured against hypothecation of 2 vehicles. Balance repayable in monthly instalments up to December, 2020.
- (j) ICICI Bank-Rupee loan (carried interest @ 9.35% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to June, 2021.
- (k) ICICI Bank-Rupee loan (carried interest @ 8.51% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to September, 2021.
- (l) ICICI Bank-Rupee loan (carried interest @ 8.02% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to September, 2022.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 18. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

- (m) ICICI Bank-Rupee loan (carried interest @ 8.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to September, 2022.
- (n) ICICI Bank-Rupee loan (carried interest @ 8.01% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to September, 2022.
- (o) ICICI Bank-Rupee loan (carried interest @ 14.51% per annum) is secured against hypothecation of 8 vehicles. Balance repayable in monthly instalments up to June, 2021.

The aggregate values of the vehicle loans from ICICI Bank aggregate to Rs. 78.18 Lakhs.

- (p) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of certain vehicles. Balance repayable in monthly instalments up to May 2020.
- (q) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to February 2021.
- (r) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 8.60% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly instalments up to March 2022.
- (s) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 7.78% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to November 2022.

The aggregate values of the vehicle loans outstanding from Kotak Mahindra Prime Ltd aggregates to Rs. 111.41 Lakhs

- (t) HDFC Bank Ltd - Rupee loan of Rs. 20.05 Lakhs for acquisition of a vehicle (carried interest @ 11.00% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to May 2021.
- (u) HDFC Bank Ltd - Rupee loan of Rs.26.91 Lakhs for acquisition of a vehicle (carried interest @ 8.40% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to August, 2023.
- (v) Toyota Financial Services India Ltd - Rupee loan of Rs.4.85 Lakhs for acquisition of a vehicle (carried interest @ 9.05% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to June 2021.
- (w) Toyota Financial Services India Ltd - Rupee loan of Rs.16.55 Lakhs for acquisition of a vehicle (carried interest @ 7.74% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly instalments up to October 2022.
- (x) Term loan from bank (Yes bank) is secured, at the interest rate of base rate 10.25% plus 0.62% and TL-II & III base rate 10.25% plus 2.40% ,by Mortgage of land and building of Goa Project on land admeasuring 160 acres and by Charges over moveable Fixed Assets (excluding vehicle) and current assets of Goa project.
- (y) Vehicle Loan from bank (Axis bank) carried interest @ 9.51% pa. The loan is repayable in monthly instalments along with interest, from the date of loan. The loan is secured by hypothecation of certain vehicles of the company.
- (z) Loan from Non-banking financial institutions (Kotak Mahindra Prime Ltd) for acquisition of vehicles carried interest @ 10.69% to 12.976% pa. The loan is repayable in monthly instalments along with interest, from the date of loan. The loan is secured by hypothecation of certain vehicles of the company.
- (aa) Inter Corporate Deposit carries interest rate 18% p.a. by Mortgage of land of admeasuring 46100 sq. mts.

Loan from group Company carries interest rate 18% p.a.

The details of repayment of long term borrowings as at 31st March, 2020 are as follow:

Particulars	Up to 1 year (Rs. In Lakhs)	2 to 5 years (Rs. In Lakhs)	Above 5 years (Rs. In Lakhs)	Total (Rs. In Lakhs)
<b>Secured term loans</b>				
From banks	1,333.73	27,777.98	55,218.55	84,330.27
From financial institution	-	157.42	190.40	347.83
<b>Total</b>	<b>1,333.73</b>	<b>27,935.41</b>	<b>55,408.96</b>	<b>84,678.09</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 19. NON - CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-3-2020 (Rs. In Lakhs)	As at 31-3-2019 (Rs. In Lakhs)
Security Deposits	1,909.43	1,823.78
	<u>1,909.43</u>	<u>1,823.78</u>

The above includes Rs. 180.12 Lakhs (Previous Year: Rs. 180.12 Lakhs) received as refundable interest free security deposits against leave and license agreements relating to the shops in Hotel Hyatt Regency and Rs. 1,500 Lakhs (Previous Year: Rs. 1,500 Lakhs) received as refundable interest free security deposit for parking space in Serviced Apartment Tower and Rs. 80.23 Lakhs (Previous Year: Rs. 66.74 Lakhs) received as refundable interest free security deposit for Service Apartment.

### 20. NON - CURRENT PROVISIONS

	As at 31-3-2020 (Rs. In Lakhs)	As at 31-3-2019 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	348.75	353.36
Leave Encashment	72.61	107.59
Lease Rent Equalization	0.43	1.33
	<u>421.79</u>	<u>462.28</u>

### 21. NON - CURRENT LIABILITIES - OTHERS

	As at 31-3-2020 (Rs. In Lakhs)	As at 31-3-2019 (Rs. In Lakhs)
Advances and Deposits for Platinum Golf Membership (PGM) in Goa Project	2,126.56	2,126.56
	<u>2,126.56</u>	<u>2,126.56</u>

Advances & Deposits for Villa & Development rights represents deposit for development rights and advances and deposits from prospective buyer of Villas constituents forming part of an All Villa Hotel Complex, Goa.

### 22. CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Secured Term Loans</b>		
<b>From Banks</b>		
<i>Other Term Loans</i>		
Bank of Maharashtra - Rupee Loan	1,333.73	485.72
Yes Bank Ltd.-Rupee loan	353.93	373.33
<i>For acquisition of /secured against vehicles</i>		
ICICI Bank Limited- Rupee loan	48.33	122.39
Axis Bank Limited - Rupee loan	-	9.09
HDFC Bank Limited- Rupee loan	24.09	21.67
Kotak Mahindra Bank Limited-Rupee loan	-	47.01
<i>Overdraft Facilities</i>		
Yes Bank Limited	3,890.73	3,349.74
DBS Bank	-	3.32
Axis Bank Limited	999.13	1,260.01
IndusInd Bank	739.57	503.14
	<u>7,389.51</u>	<u>6,175.43</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 22. CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>From Financial Institution</b>		
SREI Equipment Finance Ltd - Equipment Loan	25.21	38.41
<i>For acquisition of /secured against vehicles</i>		
Kotak Mahindra Prime Limited - Rupee loan	47.85	140.48
Toyota Financial Services - Rupee loan	9.90	9.12
BMW Financial Services - Rupee loan	-	-
	<b>82.96</b>	<b>188.01</b>
<b>Others</b>		
Current Maturities of Long-Term borrowings from others	3.89	2,181.37
	<b>3.89</b>	<b>2,181.37</b>
<b>Unsecured Loans</b>		
Intercorporate Loans (carry interest @ 9% to 18%)	17,683.18	11,160.72
	<b>25,159.55</b>	<b>19,705.52</b>

#### Nature of security and terms of repayment for secured current financial liabilities-borrowings:

- (a) Yes Bank Limited -Overdraft facilities (carried interest @ 12.80% - 13.35% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets, personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company.
- (b) Axis Bank Limited - Overdraft facilities (carried interest @ 11.40% - 11.45% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.
- (c) IndusInd Bank Limited - Overdraft facilities (carried interest @ 9.35%- 10.40% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.
- (g) Inter Corporate Deposit carries interest rate 18% p.a. by Mortgage of land of admeasuring 46100 sq. mts.
- (h) The Company has been generally regular in its loan(s) / borrowing(s) repayment obligations. Following is the summary of the defaults made:

Bank	Amount Due	Nature	Due Date
Yes Bank Limited	Rs. 129,02,427	Interest on loan	01.02.2020
Yes Bank Limited	Rs. 127,56,029	Interest on loan	01.03.2020

### 23. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Due to micro and small enterprises	73.67	158.14
Due to other than micro and small enterprises	8,264.64	6,178.68
	<b>8,338.31</b>	<b>6,336.81</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 23. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES...contd.

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") is as under:

#### DISCLOSURE UNDER MSMED ACT, 2006

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
(a) Principal amount due to suppliers under MSMED Act, 2006	73.67	158.14
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with Group.

### 24. CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Security deposits	41.64	110.49
Interest accrued but not due on borrowings	1,722.67	951.04
Interest accrued and due on borrowing	-	259.50
Payables for capital goods	188.30	162.17
Employee Dues	410.57	485.54
Other payables	389.82	324.86
Unpaid/unclaimed dividend	4.46	7.19
	<u>2,757.46</u>	<u>2,300.79</u>

There are no amounts due for payment to Investor Education and Protection Fund under the Companies Act, 2013

### 25. OTHER CURRENT LIABILITIES

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Advance from customers *	6,071.16	5,912.70
Statutory liabilities	1,780.74	1,422.04
Other liabilities	2,611.97	2,287.89
	<u>10,463.87</u>	<u>9,622.63</u>

\* Advance includes amount received upon execution of agreement related to apartments amounting to Rs.5,288.72 Lakhs (Previous year ended March 31, 2019: Rs. 5,036.05 Lakhs )

### 26. SHORT TERM PROVISIONS

	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	292.81	260.72
Leave Encashment	19.87	11.60
	<u>312.68</u>	<u>272.32</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

27 REVENUE FROM OPERATIONS	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Room income	9,165.88	9,869.98
Wines and liquor	2,475.67	3,038.95
Food, other beverages, smokes and banquets	9,407.87	10,123.99
Communications	12.51	16.27
Others*	4,177.46	4,303.09
	<b>25,239.39</b>	<b>27,352.28</b>
*Includes related to generation of electricity business (Refer Note on Segment Reporting)	212.12	255.62
28. OTHER INCOME	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Interest Received/Receivable		
From banks	2.01	8.61
From others	3.44	137.34
Excess provisions no longer required written back	53.92	27.39
Net gain on sale of fixed assets	731.87	183.45
Net gain on foreign currency transaction and translation (other than finance cost)	633.50	0.19
Miscellaneous income	43.95	43.58
	<b>1,468.69</b>	<b>400.56</b>
29. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>WINES AND LIQUOR</b>		
Opening Stock	442.71	550.41
Add : Purchases	886.11	1,078.34
	<b>1,328.82</b>	<b>1,628.75</b>
Closing Stock	(356.95)	(442.71)
	<b>971.87</b>	<b>1,186.04</b>
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	212.24	189.15
Add : Purchases	2,598.05	2,703.86
	<b>2,810.29</b>	<b>2,893.01</b>
Closing Stock	(109.97)	(212.24)
	<b>2,700.32</b>	<b>2,680.77</b>
Excise duty expense	-	-
	<b>3,672.19</b>	<b>3,866.81</b>
Percentage of total consumption between:		
Indigenous 73.53% (Previous Year 69.32%)	2,700.32	2,679.34
Imported 26.47% (Previous Year 30.68%)	971.87	1,186.06
30. EMPLOYEE BENEFITS EXPENSES	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Salaries and wages	4,660.85	4,485.26
Contribution to provident and other funds	253.38	213.12
Contract labour and services	1,395.47	1,289.32
Staff welfare expense *	571.74	545.95
Recruitment and training	36.76	19.92
	<b>6,918.19</b>	<b>6,553.57</b>



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

<b>31. FINANCE COSTS</b>	<b>2019-20</b>	2018-19
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Interest expenses	<b>10,148.82</b>	9,305.28
Other borrowing costs (including bank charges)	<b>1,157.79</b>	1,108.14
Applicable net loss/(gain) on foreign currency transactions and translation	<b>1,371.76</b>	1,026.37
	<b>12,678.37</b>	11,439.79
<b>32. OTHER EXPENSES</b>	<b>2019-20</b>	2018-19
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
Linen, room, catering and other supplies/services	<b>1,000.97</b>	1,040.89
Operating equipment and supplies written off	<b>259.35</b>	170.13
Power, fuel and light (net)	<b>1,571.56</b>	1,460.85
Repairs, maintenance and refurbishing *	<b>864.31</b>	924.74
Rent	<b>817.55</b>	555.57
Rates and taxes	<b>468.94</b>	449.23
Insurance	<b>127.09</b>	70.70
Data processing charges	<b>303.64</b>	311.99
Legal and professional charges	<b>315.48</b>	296.36
Payment to the auditors**	<b>41.00</b>	46.84
Stationery and printing	<b>90.41</b>	100.02
Travelling and conveyance	<b>384.37</b>	405.77
Guest transportation	<b>210.37</b>	182.77
Communication (including telephones for guests)	<b>91.67</b>	91.25
Technical services	<b>832.73</b>	946.53
Advertisement, publicity and business promotion	<b>419.62</b>	451.42
Commission and brokerage	<b>914.44</b>	919.72
Charity and donation	-	9.29
Fine & Penalty	<b>0.69</b>	-
Bad debts / advances written off	-	0.41
Loss on sale of fixed assets	<b>0.50</b>	-
Provision for doubtful debts / advances	<b>6.45</b>	0.07
Difference in Exchange	<b>382.38</b>	165.38
Miscellaneous	<b>98.23</b>	203.73
	<b>9,201.75</b>	8,803.65
* includes:		
Repairs to buildings	<b>195.96</b>	235.19
Repairs to machinery	<b>512.42</b>	499.84
**Payments to the auditors for		
-statutory audit	<b>32.95</b>	37.37
-tax audit fee	<b>4.00</b>	4.72
-limited review fees	<b>3.00</b>	3.54
-other services	<b>0.07</b>	0.12
-out of pocket expenses	<b>0.98</b>	1.09
	<b>41.00</b>	46.84

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

33. EARNINGS PER EQUITY SHARE	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Profit/(loss) available for equity shareholders	(6,473.65)	(3,906.84)
Weighted average numbers of equity shares outstanding	1,94,53,229	1,94,53,229
Nominal value per equity share (in Rupees)	10.00	10.00
<b>Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)</b>	<b>(33.28)</b>	<b>(20.08)</b>

34. CONTINGENT LIABILITIES AND COMMITMENTS	As at 31-3-2020 (Rs. In Lakhs)	As at 31-3-2019 (Rs. In Lakhs)
--	--------------------------------------	--------------------------------------

### CONTINGENT LIABILITIES

(a) Claims against the Company not acknowledged as debts *	-	7.00
* pertains to cases filed by certain employees of the Company		
(b) Service tax demand not provided for *	250.00	254.53
* pertains to a demand raised by Service Tax Authorities amounting to Rs. 401.10 Lakhs which includes penalty demand of Rs. 250.00 Lakhs and excluding interest for earlier years up to 2007, against which the Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi on 11th March 2014. Since the Company had already deposited the service tax payable, as determined by the tax authorities, before issuance of the show cause notice for levy of the penalty, it is contesting before the above appellate authorities that it is not liable to pay any penalty and interest.		
(c) Additional bonus liability for the financial year 2014-15 owing to amendment made in "The Payment of Bonus Act, 1965" w.r.e.f. 1st April, 2014, has not been provided for as the matter is subjudice before various High Courts in the country.	-	-
(d) Relating to an accident in the hotel premises, a writ petition has been filed with Delhi High Court by a relative of the injured person, and the Company has been made one of the respondents. The same relative has also filed a consumer complaint/petition, before the National Consumer Dispute Redressal Commission (NCDRC), against the Hyatt Hotels Corporation, Chicago and Hotel Hyatt Regency, Delhi, seeking compensation for the above injured person on various counts. Any consequence on the outcome of the above writ petition and the Consumer complaint before the NCDRC can not be ascertained.	-	-
(e) Petitions filed before the National Green Tribunal against grant of Costal Regulation Zone and Private Forest by the competent authorities to the Company's project at Goa, which are being contested by the Company.	-	-
Based on legal advice received and outcome of similar cases in past, the management is hopeful of favourable outcome and does not foresee them to have any material impact on the progress of the project of the Company.		
(f) During the year income tax assessment for AY 2016-17 was concluded. Pursuant to the assessment, an amount of Rs. 14,03,34,724 has been assessed as payable by the Company. The Company has gone into appeal against the said order and paid an income tax of Rs. 50,01,000 in appeal.		
(g) The Company has, on February 11th, 2020 received a demand Notice dated 05.02.2020 from the Asstt. Assessor & Collector (HQ), South Delhi Municipal Corporation, New Delhi (SDMC), on account of Property Tax (including interest and penalty) for the years 2016-17 to 2019-20 assessed in terms of assessment order dated 27.1.2020. The matter of Property Tax in the case of Company and many other similarly situated entities is sub-judice before the Hon'ble High Court of Delhi. The Company has been depositing Property Tax as per order dated 23.5.2014 of the Hon'ble High Court. The Company has been advised that the said demand notice is contrary to the prior orders passed by the Hon'ble High Court, and therefore Company is in the process of taking appropriate legal recourse in the said matter.	3,725.29	-
(h) TDS related dues appearing on TRACES portal (subject to reconciliation and adjustment)	-	8.05

### Notes:

- (a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 34. CONTINGENT LIABILITIES AND COMMITMENTS...contd.

#### COMMITMENTS

	<b>As at 31-3-2020 (Rs. In Lakhs)</b>	<b>As at 31-3-2019 (Rs. In Lakhs)</b>
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	<b>240.09</b>	269.04
(b) Future commitments in respect of assets acquired under Finance Schemes:		
Minimum instalments payable within one year	<b>454.05</b>	866.88
later than one year but not later than five years	<b>3,776.75</b>	4,198.38
Present value of minimum payable within one year instalments	<b>364.62</b>	730.01
later than one year but not later than five years	<b>2,222.50</b>	2,793.92

### 35. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17 LEASES

#### OPERATING LEASE COMMITMENTS

(a) Future minimum lease amounts receivable by the Company in respect of non-cancellable operating leases (other than land) for shops and apartments entered into by the Company :

Not later than one year	<b>61.47</b>	62.10
Later than one year and not later than five years	<b>86.14</b>	9.82
More than five years	-	-

(b) Future minimum lease amounts payable by the Company in respect of non-cancellable operating leases (other than land) for other services (including rented premises) entered into by the Company :

Not later than one year	<b>918.77</b>	643.20
Later than one year and not later than five years	<b>4,092.62</b>	3,427.43
More than five years	<b>1,856.84</b>	4,269.62

### 36. SEGMENT REPORTING

The Holding Company and its subsidiaries operate only in one reportable segment, i.e. Hospitality/Hotel Business at one location, namely New Delhi (India). While the Holding Company's Hotel is located at New Delhi and its ultimate subsidiary, i.e., Leading Hotels Limited is developing an all Villa Hotel Complex at Goa. Other business segment, i.e. power generation, though governed by different sets of risks and returns, however, is not a reportable segment as defined under the Indian Accounting Standard Ind AS - 108 "Operating Segments", and therefore, no separate disclosures have been made. The assets, liabilities and revenues relating to the said power generation business have, however, been disclosed in the accounts separately. The above treatment is in accordance with the guiding principles enunciated in the said Ind AS.

### 37. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

#### (a) Defined contribution plans

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 186.04 Lakhs (Previous Year Rs. Rs. 198.63 Lakhs)

#### (b) Defined benefit plans

- Gratuity
- Compensated absences - Earned leave

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 37. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS...contd.

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

#### Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

#### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.71% p.a. (Previous Year 7.50% p.a.) compound has been used.

#### Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarized in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Discount rate(per annum)	6.92%	7.66%	6.92%	7.66%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	NA	NA	NA	NA
Mortality Rates	100% of IALM	100% of IALM	100% of IALM	100% of IALM
	(2012 - 14)	(2006 - 08)	(2012 - 14)	(2006 - 08)
Retirement age	58 Years	58 Years	58 Years	58 Years
Withdrawal rates				
- Up to 30 years	3.00%	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Change in present value of the defined benefit obligation during the year</b>				
Present value of obligation as at the beginning of the year	614.09	580.76	119.18	117.05
Interest Cost	46.33	44.78	9.13	9.03
Current Service Cost	37.88	44.03	17.68	26.93
Benefits Paid	(39.93)	(37.75)	(40.76)	(29.10)
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.38)	0.00	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	20.02	0.90	6.06	0.54
Actuarial (Gain)/Loss on arising from Experience Adjustment	(30.89)	(18.63)	(18.82)	(5.27)
Present value of obligation as at the end of the year	647.11	614.09	92.48	119.18

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 37. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS...contd.

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
<b>Change in fair value of plan assets during the year</b>				
Fair Value of plan assets at the beginning of the year	NA	NA	NA	NA
Interest Income	NA	NA	NA	NA
Contributions by the employer	NA	NA	NA	NA
Benefits paid	NA	NA	NA	NA
Return on plan assets	NA	NA	NA	NA
Fair Value of plan assets at the end of the year	NA	NA	NA	NA
<b>Net Asset/ (Liability) recorded in the Balance Sheet</b>				
Present value of obligation as at the end of the year	(647.10)	(614.08)	(92.48)	(119.18)
Net Asset/ (Liability)-Current	(292.85)	(260.72)	(19.87)	(11.60)
Net Asset/ (Liability)-Non-Current	(348.75)	(353.36)	(72.61)	(107.59)
<b>Expenses recorded in the Statement of Profit &amp; Loss during the year</b>				
Interest Cost	46.33	44.78	9.13	9.03
Current Service Cost	37.88	44.03	17.68	26.93
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-	6.06	0.54
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-	(18.82)	(5.27)
Total expenses included in employee benefit expenses	84.21	88.81	26.81	31.23
<b>Recognized in Other Comprehensive Income during the year</b>				
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.38)	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	20.02	0.90	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	(30.89)	(18.63)	-	-
Recognized in Other Comprehensive Income	(11.25)	(17.73)	-	-
<b>Maturity profile of defined benefit obligation</b>				
Within 12 months of the reporting period	292.85	260.58	19.87	11.60
Between 2 and 5 years	129.93	262.62	15.76	8.70
Between 6 and 10 years	218.82	-	56.85	98.90
<b>Quantitative sensitivity analysis for significant assumption is as below:</b>				
Increase/ (decrease) on present value of defined benefit obligation at the end of the year				
Half percentage point increase in discount rate	(13.98)	(13.03)	(4.18)	(5.27)
Half percentage point decrease in discount rate	15.05	13.95	4.57	5.74
Half percentage point increase in salary increase rate	15.26	14.25	4.63	5.86
Half percentage point decrease in salary increase rate	14.30	(13.41)	(4.27)	(5.42)
<b>Expected contribution to the defined benefit plan for the next reporting period</b>				
			2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)			166.48	175.26
Expected contribution to the defined benefit plan for the next reporting period (Compensated Absences Earned Leave)			18.49	80.31

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 38. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Holding Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Holding Company is required to spend at least 2% of the average net profits determined under section 198 of the Companies Act 2013 during the immediately three financial years. However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013, the Holding Company is not required to spend any amount on CSR activities for Financial Year 2019-20.

Gross amount required to be spent by the Company during the year: Rs. NIL (Previous year - Rs. NIL)

### 39. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
(a) Value of imports calculated on CIF basis		
Food and beverages	187.83	62.37
Stores and spares	44.93	47.87
Capital goods	23.70	146.02
Beverages - through canalising agencies	816.80	1,021.05
(b) Expenditure in foreign currency	-	-
Technical services (Royalty)	6.23	44.47
Technical services (Professional and consultation fees)	11.49	64.38
Interest	979.26	1,208.79
Others		
- Advertisement and publicity	56.41	19.67
- Commission and brokerage	63.95	341.31
- Recruitment and training	-	-
- Miscellaneous	35.64	175.91
(c) Earning in foreign currency		
Revenue from operations (As reported by the management of the Company and certified by an independent Chartered Accountant)	9,029.69	13,144.55

### 40. DERIVATIVE INSTRUMENTS

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2020 & 31st March, 2019 are as under:

	As at 31-03-2020		As at 31-03-2019	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
<b>Receivables</b>				
Loans and advances given				
(in USD)	17,548	13.23	98,357	68.03
(in EURO)	-	-	1,346	1.22
(in GBP)			-	-
Other Receivable				
(in USD)	10,000	7.54	4,751	3.29
<b>Payables</b>				
Trade payables				
(in USD)	56,65,106	4,270.69	45,60,991	3,154.90
(in SEK)	-	-		

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 40. DERIVATIVE INSTRUMENTS...contd.

	As at 31-03-2020		As at 31-03-2019	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Payable for capital goods				
(in USD)	-	-	-	-
(in SEK)	28,667	2.15	28,667	2.15
Borrowings				
(in USD)	2,99,84,630	22,604	3,21,17,244	22,215.92
Interest on Borrowings				
(in USD)	7,30,289	551	8,45,926	585.14

### 41. COVID 19 IMPLICATIONS

The COVID 19 outbreak worldwide and subsequent nationwide lockdown coupled with domestic as well as international travel restrictions announced by the Central/State Governments, have adversely impacted the business operations in the major part of March 2020 (and continuing) in terms of room occupancy as well as food, beverages and other income of Hotel "Hyatt Regency Delhi" owned by the Company. The Company has undertaken necessary cost saving measures including rationalization of human resources, initiatives to uplift revenue by resorting to home delivery of food, and to conserve cash.

The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, investments, trade receivables, inventories and other current assets appearing in the financial statements of the Company. Based on the current indicators of future economic conditions, the Company expects to recover the carrying value of these assets. The impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates.

The Company will continue to monitor the material changes in future economic conditions and would recognize any significant impact of these changes affecting the Company, in the financial statements, as and when these conditions arise.

### 42. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

#### (a) Individuals and his relatives having control over the Group (either directly or indirectly)

Mr. Shiv Kumar Jatia	Chairman & Managing Director
Mr. Amrithesh Jatia	Non-Executive Director

#### (b) Companies which significantly influence the Group (either directly or indirectly)

Yans Enterprises (HK) Limited	An overseas entity
Fineline Holding Limited	An overseas entity
Asian Holdings Pvt. Ltd.	A domestic entity
RSJ Holdings Ltd., Mauritius	An overseas entity

#### (c) Related parties

##### Key Management Personnel

Mr. Shiv Kumar Jatia	Chairman & Managing Director
Ms. Anita Thapar	Whole Time Director
Mr. Tapesh Bharat Kumar Goenka	Executive Director
Mr. Sanjay Banthiya	Independent Non-Executive Director of the Subsidiary Company
Dr. Lalit Bhasin	Independent Non-Executive Director
Mr. Dinesh Chandra Kothari	Independent Non-Executive Director of the Holding Company
Mr. Amrithesh Jatia	Non-Executive Director
Mr. Dipendra B Goenka	Non-Executive Director the Holding Company
Mr. Pinaki Misra	Independent Non-Executive Director the Holding Company
Mr. Ranjan K Bhattacharya	Independent Non-Executive Director the Holding Company
Mr. Dinesh Kumar Jain	Company Secretary of the Holding Company

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 42. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24...contd.

Mr. Prakash Chandra Sharma	Chief Financial Officer of the Holding Company
Ms. Nitika Garg (Company secretary)	Company Secretary of the Subsidiary Company (Till 2nd June, 2020)
Ms. Priya Sethi (Chief Financial Officer)	Chief Financial Officer of the Subsidiary Company
Ms. Rabab Zaidi (Company secretary)	Company Secretary of the Subsidiary Company (Till 1st October, 2019)
Mr. Ajay Kumar (Chief Financial Officer)	Chief Financial Officer of the Subsidiary Company (Till 10th April, 2019)

#### Relative of Key Management Personnel

Mr. Amritesh Jatia	Director and son of Mr. Shiv Kumar Jatia
Mrs. Archana Jatia	Director and wife of Mr. Shiv Kumar Jatia
Mr. Ramesh Jatia	Brother of Mr. Shiv Kumar Jatia
Mr. Raj Kumar Jatia	Brother of Mr. Shiv Kumar Jatia

#### Entities controlled by Directors or their relatives

Bhasin & Co.  
Energy Infrastructure (I) Limited  
Leading Hotels Limited  
Heyking Ltd., Hongkong  
Deuchny Properties Ltd., Mauritius  
RSJ Holdings Ltd, Mauritius  
GBX Trading FZE, UAE  
Experimental Restaurants Private Limited

#### (d) Transactions with related parties:

	Key Management Personnel and their relatives		Entities controlled by Directors or their relatives		Total	
	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Room, Food, Beverages and other services	72.11	0.25	24.56	33.32	96.67	33.57
Remuneration	349.43	347.53	-	-	349.43	347.53
Professional Charges	-	-	3.87	8.32	3.87	8.32
Director's Sitting fees	24.00	23.70	-	-	24.00	23.70
Loan taken	-	-	4.15	10.03	4.15	10.03
Loan repaid	-	55.34	986.69	-	986.69	55.34
Interest expenses	-	-	132.85	112.41	132.85	112.41
Day to day service	-	-	33.88	25.25	33.88	25.25
Purchase	-	-	55.34	0.70	55.34	0.70

#### Balance Outstanding

	Payable		Receivable	
	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Key Management Personnel and their relatives	290.34	286.00	0.52	7.02
Entities controlled by Directors or their relatives	67.63	52.89	12.76	11.06
Total	357.96	338.90	13.29	18.08

#### Note:

- The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.
- The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Group have been given at the respective notes.



# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 42. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24...contd.

### (e) Disclosure in respect of related party-wise transactions

	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
<b>Room, Food, Beverages and other services</b>		
Bhasin & Co.	-	1.70
Experimental Restaurants Private Limited	24.56	31.62
Mr. Ranjan Kishore Bhattacharya	15.83	0.25
Mr. Pinaki Misra	55.52	-
Dr. Lalit Bhasin	0.76	-
<b>Day to Day Services</b>		
Experimental Restaurants Private Limited	33.88	25.25
<b>Remuneration</b>		
Mr. Shiv Kumar Jatia*	215.42	210.53
Ms. Anita Thapar*	30.16	25.96
Mr. Dinesh Kumar Jain	50.62	49.46
Mr. Prakash Chandra Sharma	47.68	46.67
Ms. Rabab Zaidi	2.96	4.78
Mr. Ajay Kumar	1.05	10.12
Ms. Nitika Garg	0.25	-
Ms. Priya Sethi	1.28	-
<b>Professional Charges</b>		
Bhasin & Co.	3.87	8.32
<b>Purchases</b>		
Energy Infrastructure (I) Limited	9.00	0.70
Experimental Restaurants Private Limited	46.34	-
<b>Director's Sitting fees</b>		
Ms. Anita Thapar*	-	0.30
Dr. Lalit Bhasin	5.50	7.10
Mr. Dinesh Chandra Kothari	4.00	7.10
Mr. Sanjay Banthiya	-	0.70
Mr. Dipendra B Goenka	4.50	-
Mr. Pinaki Misra	4.50	4.30
Mr. Ranjan K Bhattacharya	5.50	4.20
<b>Loan taken from</b>		
FineLine Holding Limited	3.39	6.57
GBX Trading FZE, UAE	-	-
Heyking Limited	-	3.46
Deuchny Properties Ltd.	0.75	-
<b>Interest expenses</b>		
GBX Trading FZE, UAE	132.85	112.41
<b>Loan repayment to</b>		
FineLine Holding Limited	0.30	-
Heyking Limited	-	-
Amritesh Jatia	-	55.34
Deuchny Properties Ltd.	0.38	-
GBX Trading FZE	986.01	-

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 42. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24...contd.

#### Balance Outstanding

	Payable		Receivable	
	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)
Energy Infrastructure (I) Limited	6.89	0.83	-	-
Bhasin & Co.	-	-	0.32	1.48
Dr. Lalit Bhasin	0.40	8.49	-	0.23
Mr. Shiv Kumar Jatia	112.36	112.36	-	-
Mr. Amritesh Jatia	158.90	146.47	-	-
Mr. Dinesh Chandra Kothari	8.13	8.13	-	-
Mr. Ramesh Jatia	1.89	1.89	-	-
Mr. Raj Kumar Jatia	8.61	8.61	-	-
Mr. Dipendra B Goenka	0.05	0.05	-	-
Mr. Pinaki Misra	-	-	0.52	-
Heyking Limited	39.93	36.64	-	-
Fineline Holding Limited	20.43	16.26	12.44	11.76
GBX Trading FZE	-	782.83	-	-
Deuchny Properties Ltd.	0.38	-	-	-

**Note: The above transactions excludes changes due to exchange rate fluctuation.**

\* These include Provident Fund paid / payable by the employer.

### 43. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

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

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

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

#### I. Figures as at March 31, 2020

Financial Instrument	Carrying Amount				Total	Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortized Cost		Level 1	Level 2	Level 3	Total

#### Non Current Assets

##### Financial Assets

(i) Investments	-	142.54	142.54	-	142.54	-	-	142.54	142.54
(ii) Loans	-	-	-	40.55	40.55	-	-	40.55	40.55
(iii) Others	-	-	-	-	-	-	-	-	-

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 43. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS...contd.

Financial Instrument	Carrying Amount				Total	Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortized Cost		Level 1	Level 2	Level 3	Total
<b>Current Assets</b>									
<b>Financial Assets</b>									
(i) Trade Receivables	-	-	-	1,283.87	1,283.87	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	198.14	198.14	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	4.55	4.55	-	-	-	-
(iv) Others	-	-	-	3,678.02	3,678.02	-	-	-	-
	-	<b>142.54</b>	<b>142.54</b>	<b>5,205.13</b>	<b>5,347.67</b>	-	-	<b>183.09</b>	<b>183.09</b>
<b>Non Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	96,026.17	96,026.17	-	-	-	-
(ii) Others	-	-	-	1,909.43	1,909.43	-	-	1,909.43	1,909.43
<b>Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	25,159.55	25,159.55	-	-	-	-
(ii) Trade Payables	-	-	-	8,338.31	8,338.31	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	2,757.46	2,757.46	-	-	-	-
	-	-	-	<b>1,34,190.91</b>	<b>1,34,190.91</b>	-	-	<b>1,909.43</b>	<b>1,909.43</b>

## II. Figures as at March 31, 2019

Financial Instrument	Carrying Amount				Total	Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortized Cost		Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>									
<b>Financial Assets</b>									
(i) Investments	-	142.54	142.54	-	142.54	-	-	142.54	142.54
(ii) Loans	-	-	-	47.73	47.73	-	-	47.73	47.73
(iii) Others	-	-	-	-	-	-	-	-	-
<b>Current Assets</b>									
<b>Financial Assets</b>									
(i) Trade Receivables	-	-	-	1,666.23	1,666.23	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	519.86	519.86	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	7.28	7.28	-	-	-	-
(iv) Others	-	-	-	3,756.84	3,756.84	-	-	-	-
	-	<b>142.54</b>	<b>142.54</b>	<b>5,997.94</b>	<b>6,140.48</b>	-	-	<b>190.27</b>	<b>190.27</b>
<b>Non Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	98,623.01	98,623.01	-	-	-	-
(ii) Others	-	-	-	1,823.78	1,823.78	-	-	1,823.78	1,823.78
<b>Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	19,705.53	19,705.53	-	-	-	-
(ii) Trade Payables	-	-	-	6,336.81	6,336.81	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	2,300.79	2,300.79	-	-	-	-
	-	-	-	<b>1,28,789.93</b>	<b>1,28,789.93</b>	-	-	<b>1,823.78</b>	<b>1,823.78</b>

During the reporting period ending March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

#### Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

#### Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Group is not exposed to significant interest rate risk as at the specified reporting date.

Refer Note 19 and Note 22 for interest rate profile of the Group's interest-bearing financial instrument at the reporting date.

#### Foreign currency risk

The Holding Company and one of the subsidiary company operates locally whereas two of the subsidiaries operates outside India, however, the nature of its operations requires it to transact in several currencies and consequently the Group is exposed to foreign exchange risk in various foreign currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies.

#### I. Foreign Currency Exposure

Refer Note 41 for foreign currency exposure as at March 31, 2019 and March 31, 2018 respectively.

#### II. Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax

Currency	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(274.05)	274.05	(258.85)	258.85
Euro	-	0.00	0.01	(0.01)
GBP	-	-	-	-
SGD	-	-	-	-
SEK	(0.02)	0.02	(0.02)	0.02
<b>Total</b>	<b>(274.07)</b>	<b>274.07</b>	<b>(258.86)</b>	<b>258.86</b>

#### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the Group compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation,
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty.
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

#### I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	(Rs. In lakhs)	
	As at 31-03-2020	As at 31-03-2019
Non-current financial assets - Loans	40.55	47.73
Current financial assets - loans	-	-
<b>Total (A)</b>	<b>40.55</b>	<b>47.73</b>

#### II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	(Rs. In lakhs)	
	As at 31-03-2020	As at 31-03-2019
Trade Receivables	1,283.87	1,666.23
<b>Total (B)</b>	<b>1,283.87</b>	<b>1,666.23</b>
<b>Grand Total (A+B)</b>	<b>1,324.42</b>	<b>1,713.96</b>

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

#### III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	(Rs. In lakhs)	
	As at 31-03-2020	As at 31-03-2019
Up to 3 months	780.16	1,078.93
3 to 6 months	151.89	465.29
More than 6 months	351.82	122.01
<b>Total</b>	<b>1,283.87</b>	<b>1,666.23</b>

#### IV. Provision for expected credit losses against "II" and "III" above

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Group believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

#### Liquidity Risk

Liquidity Risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecast on the basis of expected cash flows.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

#### *Maturity profile of financial liabilities*

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31-03-2020			As at 31-03-2019		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	353.93	95,814.66	96,168.59	373.33	97,410.56	97,783.89
Non-current financial liabilities - Others	-	1,909.43	1,909.43	-	1,823.78	1,823.78
Current financial liabilities - Borrowings	24,805.61	211.51	25,017.12	19,332.20	429.62	19,761.82
Current financial liabilities - Trade Payables	8,338.31	-	8,338.31	6,336.81	-	6,336.81
Current financial liabilities - Others	2,167.65	-	2,167.65	2,043.08	-	2,043.08
<b>Total</b>	<b>35,665.51</b>	<b>97,935.60</b>	<b>33,601.11</b>	<b>28,085.42</b>	<b>99,663.96</b>	<b>1,27,749.39</b>

#### **Capital management**

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	As at 31-03-2020	As at 31-03-2019
Total Debt	1,21,185.72	1,18,328.54
Equity	65,783.74	72,925.46
<b>Capital and net debt</b>	<b>1,86,969.46</b>	<b>1,91,254.00</b>
<b>Gearing ratio</b>	<b>64.82%</b>	<b>61.87%</b>

### 45. ADDITIONAL DISCLOSURE AS REQUIRED BY PARAGRAPH 2 OF SCHEDULE - III

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule - III to the Act

Name of the Enterprise	Net assets i.e. Total assets minus total liabilities		Share in Profit or Loss	
	As a % of consolidated net assets	Rs. In Lakhs	As a % of consolidated profit or loss	Rs. In Lakhs
<b>Parent</b>				
Asian Hotels (North) Limited	82.83%	54,489.74	97.03%	(6,270.26)
<b>Subsidiaries</b>				
<b>Indian</b>				
Leading Hotels Limited*	14.82%	9,752.41	0.25%	(15.94)
<b>Foreign</b>				
Fineline Hospitality & Consultancy Pte Limited, Mauritius	(0.11%)	(74.74)	0.18%	(11.54)
Lexon Hotel Ventures Limited, Mauritius	(1.72%)	(1,131.06)	2.06%	(133.01)
<b>Minority Interest in all subsidiaries</b>	<b>4.18%</b>	<b>2,747.39</b>	<b>0.49%</b>	<b>(31.65)</b>

\*Due to ongoing litigation on tenancy related and other issues and restricted permissions granted by the Hon'ble High Court of Goa, the Company could not make the desired progress in the project development and has incurred interest & other costs which are part of the CWIP. The subsidiary Company has defaulted in making interest payments to its bankers amounting to Rs. 256,58,456/- relating to January and February 2020 and has not made provision for interest payable on ICD lenders aggregating to Rs.17,67,04,283/- (which includes interest payable for earlier year Rs.6,58,84,357/-)The net current liabilities of Leading Hotels Limited as at March 31, 2020 stands at Rs. 144,91,33,955/-.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 45. ADDITIONAL DISCLOSURE AS REQUIRED BY PARAGRAPH 2 OF SCHEDULE - III...contd.

The Board of Directors have evaluated these conditions and advised the management to take measures to improve the liquidity condition of the Company. The Leading Hotels Limited has received a non-binding offer from a potential investor on 20-07-2020 which envisions infusion of additional equity in the Company. It has also tied up with a NBFC for immediate additional funding which will enable the Company to continue developing the Project and take care of the ongoing financial obligations. These measures are contingent upon approval of lenders and fulfilment of the condition precedent and such events are not wholly within the control of the Company. The ability of the Leading Hotels Limited to continue as a going concern is largely dependent on successful outcome of the aforesaid fundraising plans as well as conclusion of ongoing litigations in its favour.

The management is confident of successfully completing the fund-raising plans as well as it anticipates outcome of the ongoing litigation in the favour of the said subsidiary Company. Accordingly, the financial statements of the subsidiary company have been prepared on the basis that the Company will continue as a going concern and no adjustments have been made to the carrying value or classification of the assets and liabilities.

### 46. Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to confirm to Ind AS presentation requirements.

The accompanying notes are integral part of the financial statements

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

**Place: Ahmedabad**

**Dated: 12<sup>th</sup> August, 2020**

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

**STATEMENT OF IMPACT OF AUDIT QUALIFICATIONS ON CONSOLIDATED ANNUAL AUDITED FINANCIAL RESULTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020  
[As per Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.	Sl. No.	Particulars	Audited figures as reported before adjusting for the qualifications	Audited figures as reported after adjusting for the qualifications
			Rs. In Lakhs except for Sr.No.4	Rs. In Lakhs except for Sr.No.4
	1	Turnover/Total Income	26,708.08	26,708.08
	2	Total Expenditure	34,263.73	34,263.73
	3	Net Profit/(Loss)	(6,473.65)	(6473.65)
	4	Earnings Per Share (in Rs.)	(33.28)	(33.28)
	5	Total Assets	213,299.56	215,066.60
	6	Total Liabilities	213,299.56	215,066.60
	7	Net Worth	63,036.35	64,803.39
	8	Others- Capital Work in Progress	27,885.18	29,652.22
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	a	<b>Details of Audit Qualification :</b> Non provision of Interest liability relating to inter corporate deposit and other financial commitments, amounting to Rs.1767.04 Lakhs, by one of the subsidiaries which would otherwise had formed part of the Capital Work in Progress.		
	b	<b>Type of Audit Qualification:</b> Qualifies Opinion/Disclaimer of Opinion/Adverse Opinion		
	c	<b>Frequency of qualification:</b> appeared first time/repetitive/since how long continuing		
	d	<b>For Audit Qualification (s) where the impact is quantified by the auditor, Management's view:</b> In view of the current financial crunch being faced by the Subsidiary, provisions for interest liability amounting to Rs. 1767.04 Lakhs was not provided for by it. This has, however, no impact on the current profit/(loss) of the Subsidiary as well as on the consolidated financial statements of the Company, since this would have been otherwise formed part of the capital work in progress in respective financial statements.		
	e	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> Not Applicable		
		(i) Management's estimation on the impact of audit qualification;		
		(ii) If Management is unable to estimate the impact, reasons for the same;		
		(iii) Auditor's comments on (i) or (ii) above		
<b>III.</b>	<b>Signatories:</b>			
		<b>CEO/Managing Director</b>	<b>Sd/-</b>	
		<b>CFO</b>	<b>Sd/-</b>	
		<b>Audit Committee Chairman</b>	<b>Sd/-</b>	
		<b>Statutory Auditor</b>	<b>Sd/-</b>	
		<b>Place: New Delhi/Ahmedabad</b>		
		<b>Date: 12th August, 2020</b>		



# ASIAN HOTELS (NORTH) LIMITED

CIN: L55101DL1980PLC011037

Registered Office: Bhikaiji Cama Place, M. G. Marg, New Delhi – 110066

Tel: 011 66771225/26; Fax: 011 26791033

Website: www.asianhotelsnorth.com E-mail: investorrelations@ahlnorth.com

## PROFORMA FOR REGISTRATION/UP-DATION OF NECS MANDATE

**KFin Technologies Private Limited**  
**Unit: Asian Hotels (North) Limited**  
**Selenium-Tower B**  
**Plot No. 31 & 32, Financial District**  
**Nanakramguda**  
**Serilingampally Mandal**  
**Hyderabad – 500 032**

Folio No.-----

Dear Sirs,

I/We hereby give my/our mandate to credit my/our dividend, in respect of shares held by me/us in **Asian Hotels (North) Limited** under the aforesaid folio, directly to my/our bank account through National Electronic Clearing Service (NECS). The details of the bank account are given below:

A	Name of the Bank		
B	Branch Name & Address		
C	Account Number		
D	Type of Account	Saving	Current/Other
E	Nine Digit MICR Code No.		
F	Indian Financial System Code (IFS Code)		

**Please attach a duly signed blank "cancelled" cheque along with this authorization form.**

I/We hereby declare that particulars given above are correct and complete. If the transaction is delayed or credit is not affected due to incomplete or incorrect information, I/We will not hold the Company or its share transfer agents responsible for the same.

Date:

Place:

-----  
Signature of the sole/first holder  
Name & Address of the shareholder

(Please ignore, if you have already registered/up-dated your NECS details)

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CIN: L55101DL1980PLC011037

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Website: www.asianhotelsnorth.com E-mail: investorrelations@ahlnorth.com

## PROFORMA FOR REGISTRATION/UP-DATION OF E-MAIL IDs

**KFin Technologies Private Limited**  
**Unit: Asian Hotels (North) Limited**  
**Selenium-Tower B**  
**Plot No. 31 & 32, Financial District**  
**Nanakramguda**  
**Serilingampally Mandal**  
**Hyderabad – 500 032**

Folio No.-----

Dear Sirs,

Please register/up-date my/our e-mail ID for forwarding all official communications including the general meeting notices/postal ballot notices/annual reports etc. of the Company through electronic mail. My/our e-mail ID is as follows:

E-mail ID:

Date:

Place:

-----  
Signature of the sole/first holder  
Name & Address of the shareholder

(Please ignore, if you have already registered/up-dated your e-mail ID)





**Asian Hotels (North) Limited**

CIN: L55101DL1980PLC011037

Regd. Office: Bhikaiji Cama Place, M.G. Marg, New Delhi-110 066

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