

## Independent Auditors' Report

**To,  
The Members of  
Ilex Developers and Resorts Limited**

### **Report on the Ind AS financial statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of **Ilex Developers and Resorts Limited** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, of the financial position of the Company as at 31<sup>st</sup> March 2020, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### **Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

Reference is invited to note 40 of financial statements regarding preparation of financial statements on going concern basis. The Company has incurred loss in the current year and its current liabilities are more than current assets as at year ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019. Further, in respect of loans, there are delays in repayment of principal and payment of interest during the year and instalments due/overdue of Rs. 251.00 lakhs as at year ended 31<sup>st</sup> March 2020 are unpaid. In the opinion of management, the Company's accounts are prepared on going concern basis considering (i) positive earning before interest tax and depreciation ('EBITDA') in current year as well previous year; (ii) positive networth as at year end in current year and previous year; (iii) increase in capacity of the hotel property (iv) future growth prospectus from this hotel property resulting in sufficient future cash flows to meet its future obligations; (v) management's action to mitigate the impact of COVID-19 as described in note 40A and (vi) management's request for seeking extension of the loan dues as stated in note 19.4 of the financial statements and para (a) of "Emphasis of matter" paragraph below.

Our opinion is not modified in respect of this matter.

#### **Emphasis of matter**

(a) Reference is invited to note 19.4 of the financial statements. In respect of loans, there are delays in repayment of principal and payment of interest during the year and instalments due/overdue of Rs. 251.00 lakhs as at year ended 31<sup>st</sup> March 2020 are unpaid. The Company has requested its lender in the month of March 2020 for the extension of the dues considering the impact on account of Covid-19. Though written confirmation from the lender for extension is awaited, the lender has agreed for the extension verbally. In view of the above, in the opinion of the management, event of default is not triggered and therefore, there is no other accounting

implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2020.

- (b) Reference is invited to note 40A of the financial statements, in respect of the possible effect of uncertainties relating to Covid-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of above matters.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other Key Audit Matters to communicate in our audit report except matter described in "Material Uncertainty Related to Going Concern" and "Emphasis of matter" paragraph above and as reported below:

Key audit matter	How our audit addressed the key audit matter
<p><i>Corporate guarantee given on behalf of Kamat Hotels (India) Limited - accounting treatment</i></p> <p>We refer to note 2.4(vi) of notes to Financial Statement. The Company has given corporate guarantee (jointly with other fellow subsidiaries and group entities) on behalf of holding company aggregating to Rs. 38,583.00 lakhs towards loan facilities taken from banks/others by investor company in earlier financial year. As informed by management, share of Company in this corporate guarantee is not quantifiable.</p>	<p>This matter is discussed with the management. We have relied on the explanations given by the management that holding company is taking appropriate steps to ensure that there are no defaults in repayments of loan from banks/ other lenders. Hence, management is not expecting any obligation required to be accounted out of the financial guarantee given by the Company. Same has been disclosed in the Ind AS financial statements as contingent liability.</p>

### Information other than the Ind AS financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

### Responsibilities of management and those charged with governance for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

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

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

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

### **Auditor's responsibilities for the audit of the Ind AS financial statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 Ind AS 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that,
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement and dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
  - e) The matters described in 'Material Uncertainty related to Going Concern' and 'Emphasis of matter' paragraph above, in our opinion, may have an adverse impact on the functioning of the Company.
  - f) 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 are disqualified as on 31<sup>st</sup> March 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - h) During the year, there is no managerial remuneration. Hence, reporting under section 197(16) of the Act is not applicable.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm Registration No.: 116560W/W100149

Sd/-

**Milan Mody**

Partner

MembershipNo.: 103286

UDIN:20103286AAAADN3678

Place: Mumbai

Date:30<sup>th</sup> July 2020

## **Ilex Developers and Resorts Limited**

Annexure A to Independent Auditors' Report for the year ended 31<sup>st</sup> March 2020

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- i. In respect to fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets of the Company are physically verified by the management subsequent to year end. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) There is no immovable properties (other than leasehold improvements) held by the Company. Therefore, clause (i)(c) of paragraph 3 of the Order relating to title deeds of immovable property is not applicable.
- ii. In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification by the management, were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanation given to us, the Company has not granted loans secured or unsecured to companies, firms, limited liability partnership, and other parties covered in in the register maintained under section 189 of the Act. Therefore, clause (iii)(a),(b),(c) of paragraph 3 of the Order is not applicable.
- iv. As per the information and explanation given to us, in respect of guarantee given in earlier years, the Company has complied with provisions of section 186 of the Act and section 185 of the Act is not applicable. Further, as informed to us, the Company has not made any investments, given loan or provided security to which the provisions of section 185 and 186 of the Act is applicable.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of provisions of Section 73 to 76 of the Act and the rules framed there under. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act. Accordingly, clause (vi) of paragraph 3 the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been regular in depositing undisputed statutory dues including provident fund, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable to the Company, during the period with the appropriate authorities except minor delays in payment of tax deducted at source, employees' state insurance and significant delays in payment of goods and service tax (GST). There are no undisputed amounts payable in respect of statutory dues outstanding as on 31<sup>st</sup> March 2020 for a period of more than six months from the date they become payable.
  - (b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, GST, duty of customs, duty of excise and value added tax which have not been deposited with appropriate authorities on account of any dispute.
- viii. The Company has not defaulted in repayment of loans from bank. The Company has not taken any loan from financial institution, Government or issued any debentures during the year.

**Ilex Developers and Resorts Limited**

Annexure A to Independent Auditors' Report for the year ended 31<sup>st</sup> March 2020

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- ix. The Company has neither raised money by way of initial public offer or further public offer [including debt instruments] & term loans during the year nor does it have opening balance of any term loan, hence clause (ix) of paragraph 3 of the Order is not applicable.
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the Company or any fraud on the Company by its employees / officers, nor have been informed of any such case by the management.
- xi. The Company has not paid or provided for any managerial remuneration. Hence, reporting under clause (xi) of paragraph 3 of the Order is not applicable.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transaction with related parties are in compliance with Section 188 of Act and have been disclosed in the Ind AS financial statements as required under IndAS24, Related Party Disclosure specified under section 133 of the Act [Also refer note 32 of financial statements], read with Rule 7 of the Companies (Accounts) Rules 2014. Section 177 of the Act is not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, question of our comment on compliance with provisions of Section 42 of the Act does not arise.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him. Therefore question of our comment on compliance with provisions of Section 192 of the Act does not arise.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm Registration No.116560W/W100149

Sd/-

**Milan Mody**

Partner

Membership No. 103286

UDIN:20103286AAAADN3678

Place: Mumbai

Date:30<sup>th</sup> July 2020

## **Ilex Developers and Resorts Limited**

Annexure B to the Independent Auditor's Report for the year ended 31<sup>st</sup> March 2020

[Referred to in paragraph 2 (g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

### **Report on the internal financial controls under section 143(3)(i) of the Companies Act, 2013 ('the Act')**

#### **Opinion**

We have audited the internal financial controls over financial reporting of **Ilex Developers and Resorts Limited** ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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<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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

#### **Responsibilities of management and those charged with governance for internal financial controls over financial reporting**

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, issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Ind AS financial statements, whether due to fraud or error.

**Ilex Developers and Resorts Limited**

Annexure B to the Independent Auditor's Report for the year ended 31<sup>st</sup> March 2020

[Referred to in paragraph 2 (g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

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 Ind AS 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 Ind AS 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 Ind AS 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.

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm Registration No.116560W/W100149

Sd/-

**Milan Mody**

Partner

Membership No. 103286

UDIN:20103286AAAADN3678

Place: Mumbai

Date: 30<sup>th</sup> July 2020

**Ilex Developers & Resorts Limited**

CIN: U70102MH2008PLC184194

**Balance Sheet as at 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

Particulars	Note no.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>A Non-current assets</b>			
a) Property, plant and equipment	5	2,738.16	2,811.42
b) Intangible assets	6	0.96	1.21
c) Capital work-in-progress	7	-	4.48
d) Financial assets			
i) Other non current financial assets	8	26.34	23.57
e) Income tax asset	9	2.71	11.45
f) Deferred tax assets (net)	10	188.46	208.02
g) Other non-current assets	11	52.54	104.33
	<b>(A)</b>	<b>3,009.17</b>	<b>3,164.48</b>
<b>B Current assets</b>			
a) Inventories	12	16.97	14.33
b) Financial assets			
i) Trade receivables	13	52.04	51.73
ii) Cash and cash equivalents	14	38.46	14.02
iii) Other current financial assets	15	33.19	14.39
c) Other current assets	16	124.74	107.54
	<b>(B)</b>	<b>265.40</b>	<b>202.01</b>
<b>TOTAL (A + B)</b>		<b>3,274.57</b>	<b>3,366.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A Equity</b>			
a) Equity share capital	17	80.95	80.95
b) Other equity	18	888.41	971.08
	<b>(A)</b>	<b>969.36</b>	<b>1,052.03</b>
<b>Liabilities</b>			
<b>B Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	859.29	1,427.92
b) Provisions	20	26.35	24.07
	<b>(B)</b>	<b>885.64</b>	<b>1,451.99</b>
<b>C Current liabilities</b>			
a) Financial liabilities			
i) Trade payables	21		
- Amount due to Micro and small enterprises		1.65	0.56
- Amount due to other than Micro and small enterprises		101.09	115.30
ii) Other financial liabilities	22	1,282.34	690.31
b) Other current liabilities	23	32.19	29.22
c) Provisions	24	2.30	27.08
	<b>(C)</b>	<b>1,419.57</b>	<b>862.47</b>
<b>TOTAL (A+B+C)</b>		<b>3,274.57</b>	<b>3,366.49</b>
<b>Significant accounting policies and notes to financial statements</b>	<b>1 to 43</b>		

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

As per our audit report of even date

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm Registration No. 116560W/ W100149

sd/-

**Milan Mody**

Partner

Membership No. : 103286

Place: Mumbai

Date: 30th July, 2020

**For and on behalf of the Board of Directors of  
Ilex Developers & Resorts Limited**

sd/-

**Vidya V. Kamat**

Director

DIN: 00737305

Place: Mumbai

Date: 30th July, 2020

sd/-

**Narendra D Pai**

Director

DIN: 01985153

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars	Note no.	Year ended 31st Mar 2020	Year ended 31st Mar 2019
<b>A Income</b>			
Revenue from operations	25	928.69	893.38
Other income	26	12.73	20.01
<b>Total income (A)</b>		<b>941.42</b>	<b>913.39</b>
<b>B Expenses</b>			
Cost of materials consumed	27	107.74	120.11
Employee benefit expenses	28	278.49	241.32
Finance cost	29	44.85	9.01
Depreciation and amortisation	5 & 6	187.01	165.69
Other expenses	30	377.85	245.61
<b>Total expenses (B)</b>		<b>995.94</b>	<b>781.74</b>
<b>C Profit / (loss) before tax (C) (A-B)</b>		<b>(54.52)</b>	<b>131.65</b>
<b>D Tax expense:</b>			
- Current tax		-	27.34
- MAT credit write off / (availed)		27.34	(27.34)
- Short / (excess) provision for current tax / deferred tax (net)		12.14	4.13
- Deferred tax charge/ (credit)	10	(12.07)	34.81
Total tax expense (D)		27.41	38.94
<b>E Profit / (loss) after tax (E) (C-D)</b>		<b>(81.93)</b>	<b>92.71</b>
<b>F Other comprehensive income / (loss)</b>			
a. i) Items that will not be reclassified to statement of profit and loss			
Remeasurement gain / (loss) of defined benefit plan		(0.99)	1.16
ii) Income tax relating to items that will not be classified to profit or loss		0.25	(0.30)
b. i) Items that will be reclassified to statement of profit and loss		-	-
ii) Income tax relating to items that will be classified to profit or loss		-	-
Other comprehensive income / (expenses) for the year (F)		(0.74)	0.86
<b>G Total comprehensive income / (loss) for the year (E+F)</b>		<b>(82.67)</b>	<b>93.57</b>
<b>Basic and diluted earnings/ (loss) per share</b>	33		
Equity shares - [Face value of Rs. 10 each]		(10.12)	11.45
<b>Significant accounting policies and notes to financial statement</b>	<b>1 to 43</b>		

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

As per our audit report of even date

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm Registration No. 116560W/ W100149

sd/-

**Milan Mody**  
Partner  
Membership No. : 103286

Place: Mumbai  
Date: 30th July, 2020

**For and on behalf of the Board of Directors of  
Ilex Developers & Resorts Limited**

sd/-

**Vidya V. Kamat**  
Director  
DIN: 00737305

Place: Mumbai  
Date: 30th July, 2020

sd/-

**Narendra D Pai**  
Director  
DIN: 01985153

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**(a) Equity share capital**

Particulars	As at 31st March 2020	As at 31st March 2019
Opening balance	80.95	80.95
Changes in equity share capital during the year	-	-
Closing balance	80.95	80.95

(Also refer note 17)

**(b) Other equity**

Particulars	Reserves & surplus		OCI*	Total other equity
	Securities Premium Account	Retained earnings	Remeasurement of the defined benefit plans	
<b>Balance as at 31st March 2018</b>	1,519.05	(642.47)	0.93	877.51
Profit for the year 2018-19	-	92.71	-	92.71
Other comprehensive income for the year 2018-19	-	-	0.86	0.86
<b>Balance as at 31st March 2019</b>	1,519.05	(549.76)	1.79	971.08
Loss for the year 2019-20	-	(81.93)	-	(81.93)
Other comprehensive income for the year 2019-20'	-	-	(0.74)	(0.74)
<b>Balance as at 31st March 2020</b>	<b>1,519.05</b>	<b>(631.69)</b>	<b>1.05</b>	<b>888.41</b>

(Also refer note 18)

\*Other comprehensive income

As per our audit report of even date

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm Registration No. 116560W/ W100149

**For and on behalf of the Board of Directors of  
Ilex Developers & Resorts Limited**

sd/-  
**Milan Mody**  
Partner  
Membership No. : 103286  
Place: Mumbai  
Date: 30th July, 2020

sd/-  
**Vidya V. Kamat**  
Director  
DIN: 00737305  
Place: Mumbai  
Date: 30th July, 2020

sd/-  
**Narendra D Pai**  
Director  
DIN: 01985153

**Cash Flow Statement for the year ended 31st March 2020**

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net profit/(loss) before taxation and other comprehensive income		(54.52)	131.65
Adjustment for:			
Depreciation and amortization		187.01	165.69
Provision for doubtful debts no longer required written back		(4.29)	5.37
Loss on discard of property, plant and equipment		44.70	-
Fair value measurement of financial asset		-	(1.09)
Interest income		(2.10)	(20.00)
Interest expense		44.85	9.01
<b>Operating profit / (loss) before working capital changes</b>		<b>215.65</b>	<b>290.63</b>
Movements in working capital : (Current and Non-Current)			
(Increase)/ decrease in trade receivables, financial assets and other assets		(31.66)	(58.29)
Increase/ (decrease) in trade payables and financial liabilities, other liabilities and provisions		(24.64)	6.06
(Increase)/ decrease in inventories		(2.64)	0.22
<b>Cash generated from operations before tax</b>		<b>156.71</b>	<b>238.62</b>
Adjustment for:			
Direct taxes - Refund received(net)/ (taxes paid) (Tax deducted at source)		8.54	(2.26)
<b>Net cash generated/(used) in operating activities .....(A)</b>		<b>165.25</b>	<b>236.36</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment (including capital work in progress and capital advances)		(145.23)	(507.47)
Proceeds from sale of assets		-	0.61
Refund of loan given		-	396.17
Interest income received		2.00	56.74
<b>Cash generated/(used) from investing activities before tax</b>		<b>(143.23)</b>	<b>(53.95)</b>
Adjustment for:			
Direct taxes - Refund received/ (taxes paid) (Tax deducted at source)		0.20	(2.00)
<b>Net cash generated/(used) in investing activities .....(B)</b>		<b>(143.03)</b>	<b>(55.95)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Repayments of long term borrowings		(374.75)	(271.74)
Proceeds from long term inter-corporate deposits		393.25	40.21
Interest paid		(16.28)	(0.79)
<b>Net cash generated/(used) in financing activities .....(C)</b>		<b>2.22</b>	<b>(232.32)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>24.44</b>	<b>(51.91)</b>
Cash and cash equivalents at beginning of the year		14.02	65.93
Cash and cash equivalents at end of the year		38.46	14.02
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:</b>		<b>24.44</b>	<b>(51.91)</b>

**Significant accounting policies and notes to financial statement**

1 to 43

Notes referred to herein above form an integral part of financial statements.

As per our audit report of even date

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm Registration No. 116560W/ W100149

sd/-

**Milan Mody**  
Partner  
Membership No. : 103286

Place: Mumbai  
Date: 30th July, 2020

**For and on behalf of the Board of Directors of Ilex Developers & Resorts Limited**

sd/-

**Vidya V. Kamat**  
Director  
DIN: 00737305

Place: Mumbai  
Date: 30th July, 2020

sd/-

**Narendra D Pai**  
Director  
DIN: 01985153

**Notes to financial statements for the year ended 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

5	Property plant and equipment	Leasehold improvements (Refer note 5.1)	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicle	Total
	<b>Gross carrying value</b>						
	Balance as at 31st March, 2018	2,281.96	255.48	21.13	0.74	7.02	2,566.33
	Additions during the year 2018-19	547.01	99.50	44.47	-	-	690.98
	Deletions during the year 2018-19	-	0.67	-	-	-	0.67
	<b>Balance as at 31st March, 2019</b>	<b>2,828.97</b>	<b>354.31</b>	<b>65.60</b>	<b>0.74</b>	<b>7.02</b>	<b>3,256.64</b>
	Additions during the year 2019-20	100.04	54.11	9.04	3.16	-	166.35
	Deletions during the year 2019-20 (Refer note 39)	71.55	5.95	6.20	-	-	83.70
	<b>Balance as at 31st March, 2020</b>	<b>2,857.46</b>	<b>402.47</b>	<b>68.44</b>	<b>3.90</b>	<b>7.02</b>	<b>3,339.29</b>
	<b>Accumulated depreciation</b>						
	Balance as at 31st March, 2018	229.94	40.24	8.41	0.29	0.97	279.84
	Additions during the year 2018-19	126.99	29.07	8.42	0.12	0.83	165.43
	Deletions during the year 2018-19	-	0.06	-	-	-	0.06
	<b>Balance as at 31st March, 2019</b>	<b>356.93</b>	<b>69.25</b>	<b>16.83</b>	<b>0.41</b>	<b>1.80</b>	<b>445.21</b>
	Additions during the year 2019-20	147.71	31.18	6.80	0.23	0.84	186.76
	Deletions during the year 2019-20	22.42	2.80	5.63	-	-	30.85
	<b>Balance as at 31st March, 2020</b>	<b>482.22</b>	<b>97.63</b>	<b>18.00</b>	<b>0.64</b>	<b>2.64</b>	<b>601.13</b>
	<b>Net carrying amount</b>						
	Balance as at 31st March, 2019	2,472.04	285.06	48.77	0.33	5.22	2,811.42
	<b>Balance as at 31st March, 2020</b>	<b>2,375.24</b>	<b>304.84</b>	<b>50.44</b>	<b>3.26</b>	<b>4.38</b>	<b>2,738.16</b>

**Notes:**

- 5.1 Leasehold improvements are constructed on Hotel property taken under operational and management basis. Period of this arrangement is 20 years (further extendable by 10 years at the option of lessor). On the expiry of the term of the arrangement, these assets would be sold to the lessor at the written down value in accordance with the arrangement.
- 5.2 Details of property, plant and equipment given as security against borrowings are disclosed in Note 19.2 and 19.6.

**Notes to financial statements for the year ended 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

6	Other intangible assets	Software	Total
	<b>Gross carrying value</b>		
	<b>Balance as at 31st March, 2018</b>	2.01	2.01
	Additions during the year 2018-19	-	-
	Deletions during the year 2018-19	-	-
	<b>Balance as at 31st March, 2019</b>	<b>2.01</b>	<b>2.01</b>
	Additions during the year 2019-20	-	-
	Deletions during the year 2019-20	-	-
	<b>Balance as at 31st March, 2020</b>	<b>2.01</b>	<b>2.01</b>
	<b>Accumulated amortization</b>		
	<b>Balance as at 31st March, 2018</b>	0.54	0.54
	Additions during the year 2018-19	0.26	0.26
	Deletions during the year 2018-19		
	<b>Balance as at 31st March, 2019</b>	<b>0.80</b>	<b>0.80</b>
	Additions during the year 2019-20	0.25	0.25
	Deletions during the year 2019-20	-	-
	<b>Balance as at 31st March, 2020</b>	<b>1.05</b>	<b>1.05</b>
	<b>Net carrying amount</b>		
	Balance as at 31st March, 2019	1.21	1.21
	<b>Balance as at 31st March, 2020</b>	<b>0.96</b>	<b>0.96</b>

**Notes:**

- 6.1 Software is other than internally generated software.  
6.2 Balance useful life of intangible assets as at 31st March 2020 is 2 years to 6 years (31st March 2019 : 3 to 7 years).

7	Capital work in progress	As at 31st March 2020	As at 31st March 2019
	Opening balance	4.48	96.37
	Add: Additions during the year	161.87	599.09
	Less: Capitalised during the year	166.35	690.98
	<b>Closing balance</b>	<b>-</b>	<b>4.48</b>

**Notes to financial statements for the year ended 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

8 Other non-current financial assets	As at 31st March 2020	As at 31st March 2019
Security deposit (Refer note 8.1)	26.34	23.57
<b>Total</b>	<b>26.34</b>	<b>23.57</b>

- 8.1 Security deposit given having carrying value of Rs. 80.00 lakhs as at 31st March 2020 (As at 31st March 2019: Rs.80.00 lakhs) is interest free and given for hotel property taken by the company under operation and management agreement. This deposit is given to an entity in which Company's director is director and member. This deposit amount has been fair valued in accordance with Ind AS 109 - Financial Instrument.

9 Income tax assets (net)	As at 31st March 2020	As at 31st March 2019
Income tax (Tax deducted at source)	2.71	11.45
<b>Total</b>	<b>2.71</b>	<b>11.45</b>

10 Deferred tax assets (net)	As at 31st March 2020	As at 31st March 2019
Major components of deferred tax assets and deferred tax liabilities:		
<b>Deferred tax assets on</b>		
Carried forward losses as per income tax	354.48	332.80
Expenses allowed on payment basis under tax law	6.70	22.43
Provision for doubtful debts	0.27	-
MAT credit entitlement	-	27.34
Ind AS adjustment for security deposit stated at present value	4.53	4.47
<b>Sub-total (A)</b>	<b>365.98</b>	<b>387.04</b>
<b>Deferred tax liabilities on</b>		
Difference in net carrying value of fixed asset as per income tax and books	177.52	179.02
<b>Sub-total (B)</b>	<b>177.52</b>	<b>179.02</b>
<b>Deferred tax assets/(liability)</b>	<b>(A-B) 188.46</b>	<b>208.02</b>

**Notes to financial statements for the year ended 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)***10.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2020 and 31st March 2019**

Particulars	As at 31st March 2020	As at 31st March 2019
Accounting profit/(loss) before tax from operations	(54.52)	131.65
Income tax liability/(asset) as per applicable tax rate i.e. 25.168% (31st March 2019: 26%)	(13.72)	34.23
(a) Permanent disallowance	1.65	0.58
(b) Effect of change in tax rate for deferred tax liability calculation	5.77	(2.13)
(c) Reversal of short / (excess) deferred tax asset / (liability) recognised in earlier years	6.37	6.26
(d) MAT credit written off	27.34	-
<b>Tax expense/(credit) reported in the statement of profit and loss</b>	<b>27.41</b>	<b>38.94</b>

Particulars	As at 31st March 2020	As at 31st March 2019
Other comprehensive income	(0.99)	1.16
Income tax liability/(asset) as per applicable tax rate i.e. 25.168% (March 31st March 2019: 26%)	(0.25)	0.30
<b>Tax expense/(credit) reported in Other comprehensive income</b>	<b>(0.25)</b>	<b>0.30</b>

**Note:**

- (a) The Company offsets tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.
- (b) No provision for income tax has been made during the current year as there is no taxable income as per the Income Tax Act, 1961. Further, the Company has decided to opt for new income tax regime by applying lower rate as per section 115BAA of the Income Tax Act, 1961. Accordingly, deferred tax is recognised at lower tax rate and the unutilised credit for minimum alternate tax as on 1st April 2019 has been written-off in the financial statements for the year ended 31st March 2020.
- (c) As per Ind AS 12 - Income Taxes, deferred tax asset should be recognised on the carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax asset has been recognized on unabsorbed brought forward losses considering probability of reversal of deferred tax liability in near future against which it can be utilised.

**10.2 Income tax recognised in the statement of profit and loss:**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Current tax</b>		
In respect of the current year	-	27.34
In respect of the earlier years	12.14	4.13
	<b>12.14</b>	<b>31.47</b>
<b>Deferred tax</b>		
MAT Credit reversed / (availed)	27.34	(27.34)
Deferred tax charge / (credit)	(12.07)	34.81
	<b>15.27</b>	<b>7.47</b>
<b>Total tax expense recognised in current year</b>	<b>27.41</b>	<b>38.94</b>

11 Other non-current assets (Unsecured considered good)	As at 31st March 2020	As at 31st March 2019
Capital advances	16.76	65.09
Advance lease rent (Refer note 8.1)	35.66	39.23
Prepaid expenses	0.12	0.01
<b>Total</b>	<b>52.54</b>	<b>104.33</b>

12 Inventories (At lower of cost or net realisable value)	As at 31st March 2020	As at 31st March 2019
Food and beverages	10.01	8.44
Stores and operating supplies	6.96	5.89
<b>Total</b>	<b>16.97</b>	<b>14.33</b>

**Notes to financial statements for the year ended 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

13	<b>Trade receivable</b> (Unsecured considered good, unless otherwise stated)	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
	-Considered good	52.04	51.73
	-Considered doubtful	0.49	23.22
	<b>Sub-total</b>	<b>52.53</b>	<b>74.95</b>
	Less: Allowance for expected credit loss*	0.49	23.22
	<b>Total</b>	<b>52.04</b>	<b>51.73</b>
*The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach'. Considering same there are trade receivable having significant credit risk [Also refer note 3.15.1 and 42(a)(ii)].			
14	<b>Cash and cash equivalent</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
	Cash in hand	2.15	1.49
	Balances with bank		
	- In current accounts	30.93	7.53
	Fixed deposit with a bank (maturity less than 12 months)	5.38	5.00
	<b>Total</b>	<b>38.46</b>	<b>14.02</b>
15	<b>Other current financial assets</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
	Advance to staff	0.24	0.02
	Security deposit - others	13.23	13.50
	Insurance claim receivable (Refer note 39)	18.75	-
	Interest on deposits receivable	0.97	0.87
	<b>Total</b>	<b>33.19</b>	<b>14.39</b>
16	<b>Other current assets</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
	Prepaid expenses	7.45	13.55
	Advance to supplier	6.74	8.19
	Balance with government authorities (Refer note 16.1)	110.55	85.80
	<b>Total</b>	<b>124.74</b>	<b>107.54</b>

- 16.1 Balance with Government authorities includes Rs. 107.28 lakhs (Previous year: Rs. 82.09 lakhs) input tax credit (ITC) of Goods and service tax (GST) taken based on legal interpretation.

**Notes to financial statements for the year ended 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

17	Equity share capital	As at 31st March 2020	As at 31st March 2019
	<b>Authorised capital</b> 10,00,000 equity shares (31st March 2019: 10,00,000) of Rs.10 each	100.00	100.00
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>
	<b>Issued, subscribed and paid-up</b> 8,09,500 equity shares (31st March 2019: 8,09,500) of Rs.10 each	80.95	80.95
	<b>Total</b>	<b>80.95</b>	<b>80.95</b>

**17.1 Terms / rights attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

**17.2 Movements in equity share capital**

Particulars	FY 2019-20		FY 2018-19	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	8,09,500	80.95	8,09,500	80.95
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	8,09,500	80.95	8,09,500	80.95

**17.3 Details of shareholders holding more than 5 % shares in the Company:**

Particulars	31st March 2020		31st March 2019	
	% of holding	Number of Shares	% of holding	Number of Shares
Plaza Hotels Private Limited	32.92%	2,66,500	32.92%	2,66,500
Sangli Rubber Agro Private Limited (Formerly known as Venketesh Hotels Private Limited)	32.92%	2,66,500	32.92%	2,66,500
Kamat Hotels (India) Limited	32.92%	2,66,500	32.92%	2,66,500

18	Other equity	As at 31st March 2020	As at 31st March 2019
	<b>Reserves and surplus</b>		
	<b>Security premium (Refer note 18.1)</b>		
	As per last balance sheet	1,519.05	1,519.05
	Add: Security premium received	-	-
	<b>Closing balance</b>	<b>1,519.05</b>	<b>1,519.05</b>
	<b>Retained earnings (Refer note 18.2)</b>		
	As per last balance sheet	(549.76)	(642.47)
	Add: Profit/(loss) for the year	(81.93)	92.71
	<b>Closing balance</b>	<b>(631.69)</b>	<b>(549.76)</b>
	<b>Other comprehensive income</b>		
	As per last balance sheet	1.79	0.93
	Add: Movement in OCI (net) during the year	(0.74)	0.86
	<b>Closing balance</b>	<b>1.05</b>	<b>1.79</b>
	<b>Total</b>	<b>888.41</b>	<b>971.08</b>

18.1 Securities premium account is used to record the premium on issue of equity shares. The same can be utilised in accordance with the provisions of the Companies Act, 2013.

18.2 Retained earnings are the profits that the Company has earned till date, less transfer to general reserve, dividends or other distribution paid to shareholders.

**Notes to financial statements for the year ended 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

19 Borrowings	As at 31st March 2020	As at 31st March 2019
<b>Secured loan</b>		
<b>Term loan from</b>		
- from a bank (vehicle loan) (Refer note 19.6)	1.73	2.98
<b>Unsecured loan</b>		
-Term loan from others (Refer note 19.1 to 19.4)	1,652.41	1,957.67
-Inter-corporate loan (Refer note 19.5)	393.35	40.48
	2,047.49	2,001.13
Less: Current maturities of long term loans	(1,152.40)	(565.28)
Less: Interest accrued and due (Refer note 22)	(35.80)	(7.93)
<b>Total</b>	<b>859.29</b>	<b>1,427.92</b>

- 19.1 In the earlier year, loan from Punjab National Bank was classified as Non-Performing Asset (NPA). This term loan was assigned to Asset Care & Reconstruction Enterprise (ACRE) Limited by Punjab National Bank. Subsequently on 8th August 2016, Company entered into settlement agreement with ACRE and the underlying loan was settled at lump sum amount of Rs.2,400 lakhs.
- 19.2 The loan is secured by (i) Equitable mortgage of land & building and proposed additions to the hotel property at Bhubaneswar, Orissa owned by Kamat Hotels (India) Limited; (ii) First charge on entire assets of the Company and hypothecation of hotel equipments and furniture of property located at Bhubaneswar, Orissa; (iii) Corporate guarantee of Kamat Hotels (India) Limited and Plaza Hotels Private Limited; and (iv) Personal guarantees of Dr. Vithal V Kamat and Mrs. Vidya V Kamat, Directors of the Company.
- 19.3 The loan is repayable in 20 quarterly step-up installments starting from 30th September, 2016 and last installment is payable on 30th June, 2021.
- 19.4 There is continuing default in repayment of installment due in December 2019 aggregating to Rs. 113 lakhs (as at 31st March 2019: Rs. 75 lakhs) and installment due as on 31st March 2020 of Rs. 138 lakhs is also not paid on due date and subsequent to year end. The Company has requested its lender in the month of March 2020 for the extension of the dues considering the impact on account of Covid-19. Though written confirmation from the lender for extension is awaited, the lender has agreed for the extension verbally. In view of the above, in the opinion of the management, event of default is not triggered and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2020. No payment has been made subsequent to year end before signing of the Ind AS financial statements. Further, there is outstanding penal interest of Rs. 15.41 lakhs (as at 31st March 2019: Rs.2.04 lakhs) pertaining to delay in repayment of installments.
- 19.5 Inter-corporate loan is repayable by 16th December 2028 or earlier on availability of funds with the Company. As per the terms of the agreement it is not payable in next 12 months as at the balance sheet date, hence same is classified under long term borrowing.
- 19.6 Vehicle loan from a bank is secured by hypothecation of vehicle. This loan is repayable in equated monthly installment and the last installment is payable on 30th June 2021.

20 Provisions	As at 31st March 2020	As at 31st March 2019
Provision for gratuity (Refer note 34)	10.26	9.05
Provision for leave benefit (Refer note 34)	16.09	15.02
<b>Total</b>	<b>26.35</b>	<b>24.07</b>

**Notes to financial statements for the year ended 31st March 2020***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

21 Trade payables	As at 31st March 2020	As at 31st March 2019
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises (Refer note 21.1)	1.65	0.56
-Total outstanding dues of creditors other than micro enterprises and small enterprises	101.09	115.30
<b>Total</b>	<b>102.74</b>	<b>115.86</b>

21.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Trade payables	As at 31st March 2020	As at 31st March 2019
Dues remaining unpaid at the year end:		
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	1.65	0.56
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	0.08	0.02
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the year	0.96	0.02
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	0.98	0.02
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid	0.02	0.02

22 Other financial liabilities	As at 31st March 2020	As at 31st March 2019
Current maturities of long term loans		
- to banks	1.40	1.28
- to others	1,151.00	564.00
Interest accrued and due (Refer note 19.4)	35.80	8.19
Interest payable to MSME creditors (Refer note 21.1)	0.98	0.02
Creditors for capital expenditure		
-Total outstanding dues of micro enterprises and small enterprises (Refer note 21.1)	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	60.78	92.47
Employees liabilities	32.38	24.35
<b>Total</b>	<b>1,282.34</b>	<b>690.31</b>

23 Other current liabilities	As at 31st March 2020	As at 31st March 2019
Statutory dues	12.96	11.16
Advance from customers	9.94	7.38
Others	9.29	10.68
<b>Total</b>	<b>32.19</b>	<b>29.22</b>

24 Provisions	As at 31st March 2020	As at 31st March 2019
Provision for income tax (net)	-	23.86
Provision for gratuity (Refer note 34)	0.33	0.63
Provision for leave benefit (Refer note 34)	1.97	2.59
<b>Total</b>	<b>2.30</b>	<b>27.08</b>

**Notes to financial statements for the year ended 31st March 2020**  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

25 Revenue from operations	Year ended 31st March 2020	Year ended 31st March 2019
Room rent income	573.40	547.90
Food and beverages income	324.92	314.13
Other operating income		
- Incidental services	24.68	31.35
- Excess provision for ex-gratia written back	0.24	-
- Liabilities not payable written back	1.16	-
- Provision for doubtful debts no longer required written back	4.29	-
<b>Total</b>	<b>928.69</b>	<b>893.38</b>

26 Other income	Year ended 31st March 2020	Year ended 31st March 2019
Interest earned		
-on loans	-	18.66
-on fixed deposit	0.36	0.07
-on others	1.74	1.27
Insurance claim receivable (Refer note 39)	10.60	-
Miscellaneous income	0.03	0.01
<b>Total</b>	<b>12.73</b>	<b>20.01</b>

27 Cost of materials consumed	Year ended 31st March 2020	Year ended 31st March 2019
<b>Food and beverages</b>		
Opening stock	8.44	7.66
Add: Purchases	109.31	120.89
	<b>117.75</b>	<b>128.55</b>
Less: Closing stock	10.01	8.44
<b>Total</b>	<b>107.74</b>	<b>120.11</b>

28 Employee benefit expenses	Year ended 31st March 2020	Year ended 31st March 2019
Salaries and wages	245.93	207.53
Contribution to provident and other funds	13.21	14.04
Staff welfare expenses	14.80	9.64
Gratuity	3.50	3.67
Leave benefit	1.05	6.44
<b>Total</b>	<b>278.49</b>	<b>241.32</b>

29 Finance costs	Year ended 31st March 2020	Year ended 31st March 2019
Interest expense	36.59	7.13
Other borrowing cost (Interest on delayed payment of statutory dues)	8.26	1.88
<b>Total</b>	<b>44.85</b>	<b>9.01</b>

**Notes to financial statements for the year ended 31st March 2020**

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

30 Other expenses	Year ended 31st March 2020	Year ended 31st March 2019
<b>Operating expenses</b>		
Power and fuel	64.97	65.14
Repairs to		
- Building	32.70	6.71
- Plant and equipment	48.79	22.63
- Others	2.68	3.98
Licenses, rates and taxes	21.16	12.88
Expenses on apartments and boards	29.80	24.80
Replacement of crockery, cutlery, linen	8.61	5.42
Washing and laundry expenses	9.44	9.01
Water charges	0.49	1.91
Management fees	9.93	10.04
<b>Sub total(A)</b>	<b>228.57</b>	<b>162.52</b>
<b>Sales and marketing expenses</b>		
Advertisement, publicity and sales promotion	17.39	12.18
Commission and charges	34.71	31.20
<b>Sub total(B)</b>	<b>52.10</b>	<b>43.38</b>
<b>Administration and other expense</b>		
Communication expenses	19.93	8.14
Printing and stationary	5.33	4.77
Legal and professional fees	5.03	4.01
Travelling and conveyance	7.40	4.44
Insurance charges	3.13	2.64
Bad debt written off	18.44	-
Less: Provision for expected credit loss	(18.44)	-
Provision for expected credit loss	-	5.37
Loss on discard of property, plant and equipment	44.70	-
Auditor's remuneration (Refer note 30.1)	0.46	0.35
Miscellaneous expense	11.20	9.99
<b>Sub total(C)</b>	<b>97.18</b>	<b>39.71</b>
<b>Total(A+B+C)</b>	<b>377.85</b>	<b>245.61</b>

30.1 Auditors' remuneration	Year ended 31st March 2020	Year ended 31st March 2019
Audit fees	0.25	0.20
Tax audit fees	0.20	0.15
<b>Total</b>	<b>0.45</b>	<b>0.35</b>

**Note:** Above fees are excluding of GST of Rs. 0.08 lakhs (Previous year Rs. 0.06 lakhs)

**Notes to financial statements for the year ended 31st March 2020**

*(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

**31 Capital commitments, other commitments and contingent liabilities**

**31.1 Capital Commitments**

- (a) Estimated amount of contracts remaining to be executed on capital account (net of advance) is Rs. Nil (31st March 2019: Rs. 183.12 lakhs)
- (b) **Other significant commitments** : Nil (31st March 2019: Nil).

**31.2 Contingent liability**

In the earlier financial year, Company has given corporate guarantee (jointly with related parties) on behalf of Kamat Hotels (India) Limited aggregating to Rs. 38,583.00 lakhs (31st March 2019: 38,583.00 lakhs) towards loan facilities taken from banks/others. Share of Company in this corporate guarantee is not quantifiable. Company does not expect any outflow on account of this guarantee (Also refer note 2.4 (vi))

**32 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures**

**32.1 Name and relationships of related parties:**

- a. Entity having significant influence over the company
- Kamat Hotels (India) Limited  
Plaza Hotels Private Limited  
Sangli Rubber Agro Private Limited
- b. Directors / Key management personnel(KMP)
- Dr.Vithal V. Kamat (Director)  
Mrs.Vidya V. Kamat (Director)  
Mr.Babu A. Devadiga (Director) (upto 21st January, 2020)  
Mr.Narendra Pai (Director) (w.e.f. 21st January, 2020)
- c. Entity in which directors / KMP has significant influence (disclosed to the extent there are transactions/balances)
- Treeo Resort Private Limited

**32.2 Transactions with related parties (Disclosed only where there are transactions)**

Nature of transaction	Name of the Party	Year ended 31st March 2020	Year ended 31st March 2019
Management fees expenses	Kamat Hotels (India) Limited	9.13	8.95
Laundry service income		2.77	4.40
Material purchases		-	8.18
Amounts paid	Treeo Resort Private Limited	-	1.86
Tax component payable on Corporate guarantee	Plaza Hotels Private Limited	0.14	0.14

**Notes to financial statements for the year ended 31st March 2020**  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**32.3 Related party outstanding balances:**

Nature of transaction	Name of the Party	Year ended 31st March 2020	Year ended 31st March 2019
Security deposit given (Refer note 1 below)	Kamat Hotels (India) Limited	80.00	80.00
Trade payable		8.41	9.72
Corporate Guarantee given on behalf of Company		1,000.00	1,000.00
Security given for loan taken by Company		799.68	799.68
Joint Corporate Guarantee given with group to banks / others for Credit Facility availed by Kamat Hotels (India) Limited [Company's share is not quantifiable]		38,583.00	38,583.00
Corporate guarantee commission payable	Plaza Hotel Private Limited	0.28	0.14
Corporate Guarantee given on behalf of Company		2,000.00	2,000.00
Personal guarantee provided	Dr. Vithal V. Kamat	2,273.00	2,273.00
Personal guarantee provided	Mrs. Vidya V. Kamat	2,273.00	2,273.00

**Note 1:** Transactions with related parties and outstanding balances at the year end are disclosed at transaction value.

**32.4 Terms & Conditions of related party transactions:**

Outstanding balances at the year end are unsecured and settlement occurs through bank transactions. All transactions were made on terms equivalent to those that prevail in arm's length transaction if such terms can be substantiated.

**33 Earnings/ (loss) per share**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Basic and diluted earning / (loss) per share</b>		
Profit / (Loss) attributable to the equity holders of the Company	(81.93)	92.71
Weighted average number of equity shares outstanding	8,09,500	8,09,500
Face value per equity share (Rs.)	10	10
Basic and diluted earnings / (loss) per share (Rs.)	(10.12)	11.45

**Notes to financial statements for the year ended 31st March 2020**

*(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

**34 Employee benefit obligations**

**(i) Defined contribution plans**

The Company has certain defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual obligation. Following are the details regarding Company's contributions made during the year:

Particulars of defined contribution plan	2019-20	2018-19
Provident fund	3.90	3.94
Pension fund	5.64	5.03
Employees' state insurance (ESIC)	3.67	5.07
<b>Total</b>	<b>13.21</b>	<b>14.04</b>

**(ii) Defined benefit plans and other long term benefits**

**a) Gratuity**

The Company provides for gratuity of employees as per the Payment of Gratuity Act, 1972. As per the policy of the Company, obligations on account of payment of gratuity of an employee is settled only on termination / retirement of the employee. Gratuity is provided in the books on the basis of actuarial valuation. It is an unfunded plan.

**Risks associated with plan provisions**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

**For determination of the liability in respect of compensated gratuity, the Company has used following actuarial assumptions:**

Particulars	2019-20	2018-19
Discount rate	6.85%	7.60%
Salary escalation	8.00%	8.00%
Attrition rate	5.00%	5.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2006-08)

**Changes in the present value of obligations:**

Particulars	2019-20	2018-19
Liability at the beginning of the year	9.68	14.08
Interest cost	0.71	1.06
Current service cost	2.79	2.60
Past service cost	-	0.01
Benefits paid	(3.58)	(6.91)
Actuarial (gain) / loss on obligations	0.99	(1.16)
<b>Liability at the end of the year</b>	<b>10.59</b>	<b>9.68</b>

**Notes to financial statements for the year ended 31st March 2020**  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**Table of recognition of actuarial (gain) / loss :**

Particulars	2019-20	2018-19
Actuarial (gain) / loss on obligation for the year	0.99	(1.16)
Actuarial (gain) / loss on assets for the year	-	-
<b>Actuarial (gain) / loss recognized in Statement of Profit and Loss</b>	<b>0.99</b>	<b>(1.16)</b>

**Breakup of actuarial (gain) /loss:**

Particulars	2019-20	2018-19
Actuarial loss arising from change in financial assumption	0.89	(0.05)
Actuarial loss/(gain) arising from experience	0.10	(1.11)
<b>Total</b>	<b>0.99</b>	<b>(1.16)</b>

**Amount recognized in the Balance Sheet:**

Particulars	2019-20	2018-19
Liability at the end of the year	10.59	9.68
Fair value of plan assets at the end of the year	-	-
<b>Amount recognized in the Balance Sheet</b>	<b>10.59</b>	<b>9.68</b>

**Expenses recognized in the Statement of Profit and Loss / Other comprehensive income:**

Particulars	2019-20	2018-19
Current service cost	2.79	2.60
Interest cost	0.71	1.06
Past service cost	-	0.01
Actuarial (gain)/loss	0.99	(1.16)
<b>Expense recognized in</b>		
- Statement of Profit and Loss	3.50	3.67
- Other comprehensive income - (Gain)	0.99	(1.16)

**Balance Sheet Reconciliation**

Particulars	2019-20	2018-19
Opening net liability	9.68	14.08
Benefits paid	(3.58)	(6.91)
Expense recognised in Statement of Profit and Loss	3.50	3.67
Gain recognised in Other Comprehensive Income	0.99	(1.16)
<b>Amount Recognized in Balance Sheet</b>	<b>10.59</b>	<b>9.68</b>
Non-current portion of defined benefit obligation	10.26	9.05
Current portion of defined benefit obligation	0.33	0.63

**Sensitivity analysis of benefit obligation (Gratuity)**

Particulars	2019-20	2018-19
<b>a) Impact of change in discount rate</b>		
<b>Present value of obligation at the end of the year</b>		
a) Impact due to increase of 0.5%	9.99	8.68
b) Impact due to decrease of 0.5%	11.25	10.87
<b>b) Impact of change in salary growth</b>		
<b>Present value of obligation at the end of the year</b>		
a) Impact due to increase of 0.5%	11.24	10.86
b) Impact due to decrease of 0.5%	9.99	8.67
<b>c) Impact of change in attrition rate</b>		
<b>Present value of obligation at the end of the year</b>		
a) Impact due to increase of 10%	10.49	9.68
b) Impact due to decrease of 10%	10.70	9.69
<b>d) Impact of change in mortality rate</b>		
<b>Present value of obligation at the end of the year</b>		
a) Impact due to increase of 10%	10.59	9.68

**Notes to financial statements for the year ended 31st March 2020**

*(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

**Maturity profile of defined benefit obligation**

Particulars	2019-20	2018-19
Weighted average duration of the defined benefit obligation	11.54	11.40
Projected benefit obligation	10.59	9.68

**Payout analysis**

Particulars	As at 31st March 2020	As at 31st March 2019
1st year	0.33	0.63
2nd year	0.35	0.38
3rd year	0.53	0.42
4th year	0.48	0.55
5th year	0.90	0.53
Next 5 year payout (6-10 year)	3.78	4.12

**b) Leave benefit**

As per the policy of the Company, obligations on account of encashment of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method. It is an unfunded plan.

**Risks associated with plan provisions**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

**For determination of the liability in respect of compensated absences, the Company has used following actuarial assumptions:**

Particulars	2019-20	2018-19
Discount rate	6.85%	7.60%
Salary escalation	8.00%	8.00%
Attrition rate	5.00%	5.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2006-08)

**Changes in the present value of obligations:**

Particulars	2019-20	2018-19
Liability at the beginning of the year	16.84	8.74
Interest cost	1.09	0.61
Current service cost	8.55	5.04
Past service cost	-	4.46
Benefits paid	(8.81)	(10.13)
Actuarial (gain)/loss on obligations	0.10	8.12
<b>Liability at the end of the year</b>	<b>17.77</b>	<b>16.84</b>

**Table of Recognition of Actuarial (gain) / loss :**

Particulars	2019-20	2018-19
Actuarial (gain)/loss on obligation for the year	0.10	8.12
Actuarial (gain)/loss on assets for the year	-	-
<b>Actuarial (gain)/loss recognized in Statement of Profit and Loss</b>	<b>0.10</b>	<b>8.12</b>

**Notes to financial statements for the year ended 31st March 2020**  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**Breakup of actuarial (gain) /loss:**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Actuarial loss/(gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	(3.16)	(0.06)
Actuarial loss/(gain) arising from experience	3.26	8.18
<b>Total</b>	<b>0.10</b>	<b>8.12</b>

**Amount recognized in the Balance Sheet:**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Liability at the end of the year	17.77	16.84
Fair value of plan assets at the end of the year	-	-
<b>Amount recognized in the Balance Sheet</b>	<b>17.77</b>	<b>16.84</b>

**Expenses recognized in the Statement of Profit and Loss:**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Current service cost	8.55	5.04
Interest cost	1.09	0.61
Past service cost	-	4.46
Benefits paid	(8.81)	(10.13)
Actuarial (Gain)/Loss	0.10	8.12
<b>Expense recognized in Statement of Profit and Loss</b>	<b>0.93</b>	<b>8.10</b>

**Balance Sheet Reconciliation**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Opening net liability	16.84	8.74
Expense recognised in Statement of Profit and Loss	0.93	8.10
<b>Amount Recognized in Balance Sheet</b>	<b>17.77</b>	<b>16.84</b>
Non-current portion of defined benefit obligation	16.10	15.02
Current portion of defined benefit obligation	1.67	1.82

**Sensitivity analysis of benefit obligation (Leave benefits)**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
<b>a) Impact of change in discount rate</b>		
<b>Present value of obligation at the end of the year</b>		
a) Impact due to increase of 0.5%	15.65	14.10
b) Impact due to decrease of 0.5%	16.94	16.42
<b>b) Impact of change in salary growth</b>		
<b>Present value of obligation at the end of the year</b>		
a) Impact due to increase of 0.5%	16.93	16.41
b) Impact due to decrease of 0.5%	15.65	14.09
<b>c) Impact of change in attrition rate</b>		
<b>Present value of obligation at the end of the year</b>		
a) Impact due to increase of 1%	16.22	15.18
b) Impact due to decrease of 1%	16.33	15.19
<b>d) Impact of change in mortality rate</b>		
<b>Present value of obligation at the end of the year</b>		
a) Impact due to increase of 10%	16.27	15.18

**Notes to financial statements for the year ended 31st March 2020**

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**Payout analysis**

Particulars	As at 31st March 2020	As at 31st March 2019
1st year	1.51	1.62
2nd year	1.47	1.44
3rd year	1.61	1.41
4th year	1.49	1.48
5th year	1.54	1.32
Next 5 year payout (6-10 year)	7.14	7.37

**35 Leases**

**Where Company is lessee:**

The Company had taken Hotel Building to renovate, manage and operate under Business Contract Agreement for a period of 20 years, which shall be extendable for a further period of 10 years at the sole discretion of the lessor. In lieu of the same, Company pays management fees calculated based on percentage of revenue earned from this property. The Company has recognised management fees expense of Rs. 9.13 lakhs during the year (Previous year Rs. 8.95 lakhs). Since future revenue is based on percentage of revenue which is contingent in nature, no accounting / disclosures are required under Ind AS 116 - 'Leases' (PY Ind AS 17 - 'Leases'). Also refer note 3.9 and 4 of the financial statements.

**36 Note on Cash Flow Statement**

- i) Aggregate amount of outflow on account of direct taxes paid is Rs. 4.93 lakhs (Previous year : Rs. 4.26 lakhs).
- ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	31-Mar-19	Cash flow (net)	Non-cash changes	31-Mar-20
Borrowings from bank/ others (Including interest)	1,993.20	18.50	-	2,011.70
Particulars	31-Mar-18	Cash flow (net)	Non-cash changes	31-Mar-19
Borrowings from bank/ others (Including interest)	2,224.73	(231.53)	-	1,993.20

**37 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments**

There are no reportable segments under Ind AS-108 'Operating Segments' as the Company is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the Company's total revenue during the year ended 31st March, 2020 and 31st March, 2019.

**38** Foreign currency exposure outstanding as on 31st March 2020: Nil (31st March 2019: Nil). There are no outstanding derivative contracts as on 31st March 2020 (31st March 2019: Nil).

**39** During the current year, Company's hotel property in Orissa was affected due to "Cyclone Fani". The insurance company had appointed insurance surveyor who conducted the survey, assessed the loss of Rs. 18.75 lakhs and submitted the report to insurance company for insurance claim proceedings. Company has accounted the claim of Rs. 18.75 lakhs for the year ended 31st March 2020.

**40** The Company has incurred loss in the current year and its current liabilities are more than current assets as at year ended 31st March 2020 and 31st March 2019. Further, in respect of loans, there are delays in repayment of principal during the year, payment of interest and instalments due/overdue of Rs. 251.00 lakhs as at year ended 31st March 2020 are unpaid. The Company's accounts are prepared on going concern basis considering (i) positive earning before interest tax and depreciation ('EBITDA') in current year as well previous year; (ii) positive networth as at year end in current year and previous year; (iii) increase in capacity of the hotel property (iv) future growth prospectus from this hotel property resulting in sufficient future cash flows to meet its future obligations; (v) management's action to mitigate the impact of COVID-19 as described in note 40A and (vi) management's request for seeking extension of the loan dues as stated in note 19.4 of the financial statements.

**40A** Due to outbreak of COVID-19 pandemic, there is a significant impact on the business operations of the Company during the lockdown period. The Company's hotel was shut down from 22nd March, 2020 and with the lifting of the partial lockdown restrictions by Central and State Governments, the Company has re-opened its hotel from 11th June, 2020 after establishing thorough and well-rehearsed safety measures. The Company has carried out impairment assessment for the carrying value of property, plant & equipment, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial statements including potential impact on account of COVID-19. based on such assessment, in the opinion of management the Company expects to recover the carrying amounts of all the assets. The Company has also requested its lender for extension of payment of dues in view of the challenges faced account of shut down of the hotel. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor the future economic conditions and assess its impact on financial statements.

**Notes to financial statements for the year ended 31st March 2020**

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**41 Financial instruments - Accounting Classifications & Fair value Measurement**

**(a) Financial instruments by category**

Sr. No.	Particulars	31st March 2020			31st March 2019		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>A</b>	<b>Financial assets</b>						
(i)	Cash and cash equivalents	38.46	-	-	14.02	-	-
(ii)	Trade receivables (net)	52.04	-	-	51.73	-	-
(iii)	Other current financial assets	33.19	-	-	14.39	-	-
(iv)	Other non-current financial assets	26.34	-	-	23.57	-	-
	<b>Total financial assets</b>	<b>150.03</b>	<b>-</b>	<b>-</b>	<b>103.71</b>	<b>-</b>	<b>-</b>
<b>B</b>	<b>Financial liabilities</b>						
(i)	Non-current financial liabilities - Borrowings	859.29	-	-	1,427.92	-	-
(ii)	Trade payables	102.74	-	-	115.86	-	-
(iii)	Other current financial liabilities	1,282.34	-	-	690.31	-	-
	<b>Total financial liabilities</b>	<b>2,244.37</b>	<b>-</b>	<b>-</b>	<b>2,234.09</b>	<b>-</b>	<b>-</b>

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

**(b) Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following method and assumptions are used to estimate the fair values:

- (i) The management assessed that fair value of cash and cash equivalents, trade receivables (net), other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of non-current financial liabilities - borrowings will be approximate to their carrying amounts. With respect to deposit given under long term operating and management agreement, same is stated at fair value of the deposit given.

**Notes to financial statements for the year ended 31st March 2020**

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**(c) Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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 effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**(d) Fair value of instruments measured at amortised cost:**

Particulars	Level	31st March 2020		31st March 2019	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	-	-	-	-
Other non-current financial asset	Level 3	80.00	26.34	80.00	23.57
<b>Total financial assets</b>		<b>80.00</b>	<b>26.34</b>	<b>80.00</b>	<b>23.57</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	859.29	859.29	1,427.92	1,427.92
Other financial liabilities	Level 3	1,282.34	1,282.34	690.31	690.31
<b>Total financial liabilities</b>		<b>2,141.63</b>	<b>2,141.63</b>	<b>2,118.23</b>	<b>2,118.23</b>

Notes:

(i) The above disclosures are presented for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (cash and cash equivalents, trade receivables, trade payables and other current financial liabilities) are stated at carrying value which is approximately equal to their value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

**42 Financial risk management**

The Company has exposure to the three risks mainly funding/ liquidity risk, credit risk, market risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not have any derivative financial instruments. The Board of directors has overall responsibility for the establishment of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and Company's activities.

**Notes to financial statements for the year ended 31st March 2020**

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**(a) Credit Risk :**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instruments fail to meet its contractual obligations. The Company is exposed mainly to credit risk which arises from cash and cash equivalents and deposit with banks.

**(i) Cash and cash equivalent**

The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balance and fixed deposits are generally maintained with the banks with whom the Company has regular transactions. Further, the Company does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent and bank deposits.

**(ii) Trade receivables**

The major exposure to the credit risk at the reporting date is primarily from receivable comprising of trade receivables. Credit risk on receivable is limited due to the Company's diverse customer base. The effective monitoring and controlling of credit risk through credit evaluations is a core competency of the Company's risk management system.

For expected credit loss of trade receivable, Company follows simplified approach as per which provision is made for receivable exceeding six months. This is based on historically observed default rates over the expected life of trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Reconciliation of Expected Credit Allowance (ECL) is as given below:

Particulars	31st March 2020	31st March 2019
Balance at the beginning	23.22	17.85
Add: Loss allowance based on ECL	-	5.37
Less: Reversal	22.73	0
<b>Balance at the year end</b>	<b>0.49</b>	<b>23.22</b>

**(b) Liquidity Risk :**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time. The Company relies on mix of borrowings, capital and operating cash flows to meet its needs for funds. The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the undiscounted payments.

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
<b>As at 31st March 2020</b>				
Borrowings	1,152.40	859.29	-	2,011.69
Trade payables	102.74	-	-	102.74
Other financial liabilities	129.94	-	-	129.94
<b>As at 31st March 2019</b>				
Borrowings	565.28	1,427.92	-	1,993.20
Trade payables	115.86	-	-	115.86
Other financial liabilities	125.03	-	-	125.03

**Ilex Developers & Resorts Limited**  
**CIN: U70102MH2008PLC184194**

**Notes to financial statements for the year ended 31st March 2020**

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**(c) Interest rate risk**

Company has taken term loan from bank and others. With respect to term loan payable to ACRE, it has fixed repayment schedule in accordance with settlement agreement and no separate interest is payable [Refer note 19.1]. In case of loan from bank [vehicle and loan taken from other party], it carries fixed rate of interest rate. Hence, borrowing of the Company are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**43 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder's value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Company monitors capital using 'net Debt' to 'Equity'. The Company's net debt to equity are as follows:

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Total debt	2,011.69	1,993.20
Total capital (total equity shareholder's fund)	969.36	1,052.03
Net Debt to Equity ratio	<b>2.08</b>	<b>1.89</b>

As per our report of even date

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm Registration No. 116560W/ W100149

sd/-

**Milan Mody**  
Partner  
Membership No.: 103286

Place: Mumbai  
Date: 30th July, 2020

**For and on behalf of the Board of Directors of  
Ilex Developers & Resorts Limited**

sd/-

**Vidya V. Kamat**  
Director  
DIN: 00737305

Place: Mumbai  
Date: 30th July, 2020

sd/-

**Narendra D Pai**  
Director  
DIN: 01985153