

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Begonia Hotels Private Limited

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the Ind AS financial statements of **Begonia Hotels Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, 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 Ind AS 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 ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

Attention is invited to Note 26 of the financial statements which sets out the Company's assessment of impact of COVID-19 pandemic situation, the uncertainties associated therewith on its financial statements and going concern assumption. Based on these assessments, the management has concluded that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2020.

Our opinion is not modified in respect of this matter.

**Other Information**

The 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 Ind AS financial statements and our auditor's report thereon.

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



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

## **Responsibilities of Management for the IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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

Those charged with governance 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 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.



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- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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## 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 Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors 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 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 2"
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.



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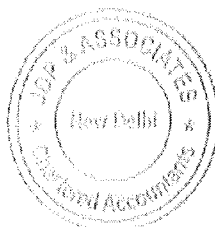
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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 28 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For JDP & Associates**  
Firm Registration No: 026828N  
Chartered Accountants

  
**Jatin Kumar**

Partner  
Membership No.: 531072  
UDIN: 20531072AAAABC4061  
Place: New Delhi  
Date: May 28, 2020



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**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**

**Re: Begonia Hotels Private Limited (“the Company”)**

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) The Company has physically verified the fixed assets at reasonable intervals, there were no material discrepancy during the physical verification of fixed assets.  
  
c) The company is holding the title deeds of immovable properties in its name.
- (ii) In our opinion, the inventories were physically verified by the Management subsequent to year end during the month of May 2020 instead of year end due to COVID 19 related lockdown. For the inventories for which physical count was performed subsequent to year end, the Company has carried out the reconciliation procedures for 100% of the inventories to ascertain existence of such inventory physically verified from the date of the respective counts to the balance sheet date and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of, clause 3(iii) (a), (b) and (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 Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public in terms of directive issued by Reserve Bank of India and provision of section 73 to 76 of the Companies Act, 2013.
- (vi) To the best of our knowledge and as explained, the central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.



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- (vii) a) Undisputed statutory dues including provident fund, employee state insurance, labour welfare fund, income-tax, goods and service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions related to excise and customs duty are not applicable to the Company.
- b) According to information and explanation given to us, there are no undisputed amounts payable in respect of income tax, sales tax, goods and service tax, duty of customs, value added tax, excise duty cess and other material statutory dues were outstanding for a period of more than six months from the date they become payable.
- c) According to information and explanation given to us there are no dues of Income tax, sales tax, goods and service tax, service tax, duty of customs, value added tax and cess which have not been deposited on account of dispute except stated below

Particulars	Amount demanded	Remarks
Service tax	Rs 11.56 lakhs	Appeal pending

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. Further the Company has opt for a moratorium period from March 2020 to August 2020 for repayment of loans on reference of RBI circular issued dated March 27, 2020, April 17, 2020 and May 23, 2020 on COVID 19- Regulatory package.

The Company has not taken any loans or borrowings from financial institutions, government or issued any debentures.

- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and there are no term loans outstanding during the year.
- (x) To the best of our knowledge no fraud is committed by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration is not payable by the company during the year. Hence reporting under clause 3(xi) is not applicable.
- (xii) The company is not a Nidhi Company so Nidhi Rules, 2014 are not applicable to the company.
- (xiii) All transactions with the related party are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by applicable accounting standards. Provision of section 177 is not applicable to the Company.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures



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- (xv) The Company has not entered into any non-cash transaction with the director or person connected with director as required under section 192 of The Companies Act, 2013.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

**For JDP & Associates**  
Firm Registration No: 026828N  
Chartered Accountants

  
**Jatin Kumar**

Partner  
Membership No.: 531072  
UDIN: 20531072AAAABC4061  
Place: New Delhi  
Date: May 28, 2020





# JDP & Associates

(Chartered Accountants)

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BEGONIA HOTELS PRIVATE LIMITED

### 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 **Begonia Hotels Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS 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". 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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(Chartered Accountants)

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

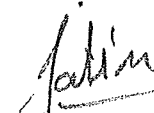
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

## Opinion

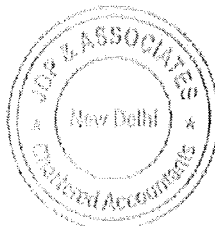
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria 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 JDP & Associates

Firm Registration No: 026828N  
Chartered Accountants

  
Jatin Kumar  
Partner

Membership No.: 531072  
UDIN: 20531072AAAABC4061  
Place: New Delhi  
Date: May 28, 2020



**Begonia Hotels Private Limited**  
**Balance Sheet as at March 31, 2020**

		March 31, 2020	March 31, 2019
	Note	Rs in lakhs	Rs in lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,542.07	1,562.98
Intangible assets	4	4.23	4.97
Financial assets	5		
Investments		2,900.04	2,300.00
Other financial assets		1.06	1.10
Other non-current assets	6	30.38	46.02
		<u>4,477.78</u>	<u>3,915.07</u>
<b>Current assets</b>			
Inventories	7	21.99	13.67
Financial assets	8		
Trade receivables		94.14	109.89
Cash and cash equivalents		115.46	134.77
Loans		100.00	-
Other financial assets		2.99	3.33
Investments	5	-	545.94
Other current assets	9	58.79	75.28
		<u>393.37</u>	<u>882.88</u>
<b>Total Assets</b>		<u><u>4,871.15</u></u>	<u><u>4,797.95</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10	146.46	146.46
Other Equity	11	4,373.94	4,142.93
<b>Total Equity</b>		<u>4,520.40</u>	<u>4,289.39</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities	12		
Borrowings		22.44	25.64
Provisions	13	2.71	2.30
Deferred tax liabilities (net)	14	34.87	37.60
		<u>60.02</u>	<u>65.54</u>
<b>Current liabilities</b>			
Financial liabilities	15		
Trade payables		212.37	337.94
Other financial liabilities		46.06	35.74
Other current liabilities	16	28.25	65.87
Provisions	13	4.05	3.47
		<u>290.73</u>	<u>443.02</u>
<b>Total Liabilities</b>		<u>350.75</u>	<u>508.56</u>
<b>Total Equity and Liabilities</b>		<u><u>4,871.15</u></u>	<u><u>4,797.95</u></u>

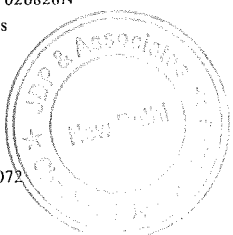
Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For JDP & Associates  
Firm Registration No. 026828N  
Chartered Accountants

Jatin Kumar  
Partner  
Membership No. 531072



For and on behalf of the Board of Directors of  
Begonia Hotels Private Limited

Cyrus Mehernosh Madan  
Director  
Din No: 02695031

Rajesh Kumar  
Director  
Din No. 05251730

Place : New Delhi  
Date : May 28, 2020

**Begonia Hotels Private Limited**  
**Profit and Loss for the year ended March 31, 2020**

	Note	March 31, 2020 Rs in lakhs	March 31, 2019 Rs in lakhs
Revenue from Operations	17	1,276.90	1,259.27
Other Income	18	0.65	3.78
<b>Total Income (I)</b>		<b>1,277.55</b>	<b>1,263.05</b>
<b>Expenses</b>			
Cost of materials consumed	19	124.71	145.06
Employee benefits expense	20	238.23	218.67
Other expenses	21	547.18	616.93
<b>Total expenses (II)</b>		<b>910.12</b>	<b>980.66</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)</b>		<b>367.43</b>	<b>282.39</b>
Finance costs	22	12.18	12.18
Depreciation and amortization expense	23	70.32	55.52
Finance income	24	(21.22)	(47.86)
<b>Profit before tax</b>		<b>306.15</b>	<b>262.55</b>
Tax expense:			
(1) Current tax		77.82	63.98
(2) Tax pertaining to earlier years		(0.35)	(0.46)
(3) Deferred tax		(2.73)	13.21
		<b>74.74</b>	<b>76.73</b>
<b>Profit for the year</b>		<b>231.41</b>	<b>185.82</b>
Other comprehensive income			
Remeasurements of defined benefit plans		(0.40)	0.01
		<b>(0.40)</b>	<b>0.01</b>
<b>Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>231.01</b>	<b>185.83</b>
Earnings per equity share			
(1) Basic	25	1.58	1.27
(2) Diluted	25	1.58	1.27

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For JDP & Associates

Firm Registration No. 026828N

Chartered Accountants

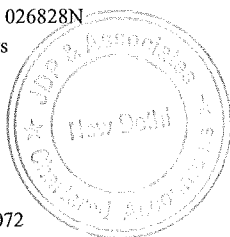
Jatin Kumar

Partner

Membership No. 531072

Place : New Delhi

Date : May 28, 2020



For and on behalf of the Board of Directors of  
**Begonia Hotels Private Limited**

Cyrus Mehernosh Madan Rajesh Kumar

Director

Din No: 02695031

Director

Din No. 05251730

**Begonia Hotels Private Limited**

**Cash flow statement for the year ended March 31, 2020**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>Cash flow from operating activities</b>		
Profit before tax	306.15	262.55
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	70.32	55.52
Provision for gratuity	0.21	0.30
Provision for leave encashment	0.37	(0.39)
Provision for doubtful debts	-	0.11
Net (gain)/ loss on sale of fixed assets	-	0.08
Excess provisions and credit balances written back	(0.43)	(2.04)
Interest Received	(2.24)	(3.52)
Interest Paid	2.57	1.10
Net (gain)/ loss on sale of current investments	(18.98)	(44.36)
<b>Operating profit before working capital changes:</b>	<b>357.97</b>	<b>269.36</b>
Movements in working capital:		
Change in trade receivables	15.74	(51.56)
Change in loans and advances and other current assets	16.90	0.83
Change in inventories	(8.32)	5.68
Change in liabilities and provisions	(149.95)	173.69
<b>Cash Generated from Operations</b>	<b>232.34</b>	<b>398.01</b>
Direct taxes paid (net of refunds)	(61.84)	(46.66)
<b>Net cash flow from operating activities</b>	<b>170.50</b>	<b>351.35</b>
<b>Cash flows used in investing activities</b>		
Purchase of Property , Plant and Equipment	(48.67)	(425.01)
Proceeds from sale of Property, Plant and equipment	-	2.54
Purchase of non current investment	(600.04)	-
(Purchase)/sale of current investments	564.92	45.01
Loan given to fellow subsidiary	(100.00)	-
Interest received	2.24	3.52
<b>Net Cash flow used in investing activities</b>	<b>(181.55)</b>	<b>(373.94)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	-	28.25
Repayment of long term borrowings	(5.69)	(1.61)
Interest Paid	(2.57)	(1.10)
<b>Net Cash from financing activities</b>	<b>(8.26)</b>	<b>25.54</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(19.31)</b>	<b>2.95</b>
Cash and cash equivalents at the beginning of the year	134.77	131.82
<b>Cash and cash equivalents at the end of the year</b>	<b>115.46</b>	<b>134.77</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.87	2.24
Balances with Scheduled Banks in		
- Current accounts	113.59	132.53
<b>Total cash and cash equivalents</b>	<b>115.46</b>	<b>134.77</b>

Summary of significant accounting policies

2.1

As per our report of even date

For JDP & Associates

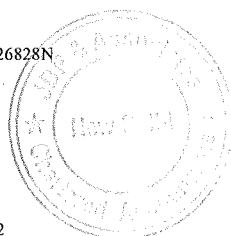
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For and on behalf of the Board of Directors of  
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Cyrus Mehernosh Madan

Director

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Rajesh Kumar

Director

Din No. 05251730

Place : New Delhi

Date : May 28, 2020

**Begonia Hotels Private Limited**  
**Statement of Changes in Equity**

**A. Equity Share Capital**

Equity shares of INR 1 each issued, subscribed and fully paid	No. of shares	Amount Rs in lakhs
At April 1, 2018	14,645,682	146.46
Issue of share capital	-	-
At March 31, 2019	14,645,682	146.46
Issue of share capital	-	-
At March 31, 2020	14,645,682	146.46

**B. Other Equity**

For the period ended 31 March, 2020

	Securities Premium Reserve	Retained Earnings	Total equity
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Balance at April 1, 2018	3,051.83	905.27	3,957.10
Total Comprehensive Income for the year	-	185.83	185.83
Balance at March 31, 2019	3,051.83	1,091.10	4,142.92
Total Comprehensive Income for the year	-	231.01	231.01
Balance at March 31, 2020	3,051.83	1,322.12	4,373.94

Summary of significant accounting policies

2.1

As per our report of even date

**For JDP & Associates**

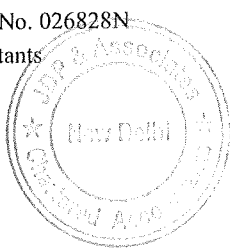
Firm Registration No. 026828N

Chartered Accountants

**Jatin Kumar**

Partner

Membership No. 531072



**For and on behalf of the Board of Directors of  
Begonia Hotels Private Limited**

**Cyrus Mehernosh Madan Rajesh Kumar**

Director

Din No: 02695031

Director

Din No: 05251730

Place : New Delhi

Date : May 28, 2020

**Begonia Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2020**

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**1. Corporate Information**

Begonia Hotels Private Limited (the Company) is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Asset No. 6, Aerocity Hospitality District, New Delhi 110037.

The principal activities of the Company is to carry out business of developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 28, 2020.

**2 Basis of preparation**

**2.1 Significant accounting policies**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost or at amortised cost except for the following assets and liabilities:

- Net defined benefit (asset)/liability
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in Indian Rupees(INR) and all values are rounded to the nearest lakhs, except where otherwise indicated.

**2.2 Summary of significant accounting policies**

**(a) 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:

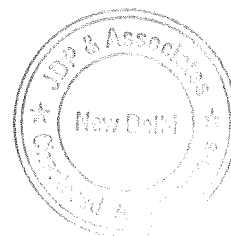
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(b) Foreign currencies****Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss

**(c) 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:

- In the principal market for the asset or liability, or
- 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 fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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





**Begonia Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2020**

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fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 26)
- Contingent consideration (Note 28)
- Quantitative disclosures of fair value measurement hierarchy (note 30)
- Financial instruments (including those carried at amortised cost) (note30)

**(d) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised. The Company has adopted Ind AS 115 using cumulative catch-up transition method, where any effect arising upon application of this standard is recognised as at the date of initial application (i.e April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to



## **Begonia Hotels Private Limited**

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

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be reported under previous standards on revenue i.e Ind AS 18 and Ind AS 11. There was no impact on adoption of Ind AS 115 to the financial statements of the Company.

In arrangements for room revenue and related services, the Company has applied the guidance in Ind AS 115 for recognition of Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room revenue and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### *Rooms, Restaurant, Banquets and Other Services*

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT) and Luxury Tax. Shortfall of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

#### *Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax / VAT.

#### *Interest income*

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, 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 net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

#### *Dividends*

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

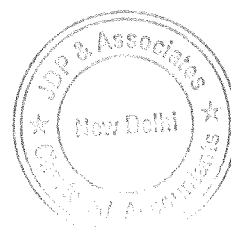
#### *Gain/(loss) on sale of investment in mutual funds*

Gain/(loss) on sale of investment in mutual funds is recorded as other income on transfer of title from the Company and is determined as the difference between the redemption price and carrying value of the investments.

### **(e) Taxes**

#### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

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the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

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 recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised,

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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised 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 that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised 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 and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(f) Property, plant and equipment**

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on fixed assets is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of fixed assets as follows:

<b>Fixed Assets</b>	<b>Useful life considered (SLM)</b>
Plant & Machinery	15 Year
Building	60 Years
Electrical installations and fittings	10 Years
Office Equipment's	5 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years

The Company, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

An item of property, plant and equipment and any significant part 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 derecognition 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

**(g) 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. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 3 years and the same shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually at the year end to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.



## **Begonia Hotels Private Limited**

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

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#### **(h) Borrowing costs**

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **(l) Inventories**

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

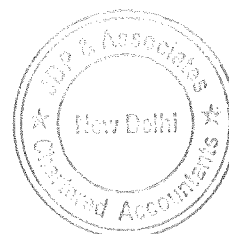
#### **(j) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's



## Begonia Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2020

recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### (k) Provisions

##### *General*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### (l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Remeasurements, 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as



## Begonia Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2020

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an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The company treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### (m) 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.

##### *Financial assets*

##### *Initial recognition and measurement*

All financial assets are recognised 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### *Subsequent measurement*

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

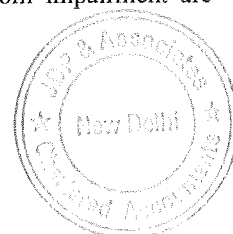
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments in subsidiaries carried at cost

##### *Debt instruments at amortised cost*

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are



## Begonia Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2020

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recognised in the profit or loss. This category generally applies to trade and other receivables, loans to subsidiaries etc. For more information on receivables, refer to Note 8.

#### *Debt instrument at FVTOCI*

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### *Debt instrument at 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.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

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

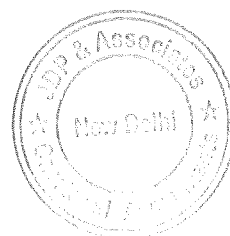
#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When 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. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.





## Begonia Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2020

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#### *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, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- d) Loan commitments which are not measured as at FVTPL
- e) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises 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 recognising impairment loss allowance based on 12-month ECL.

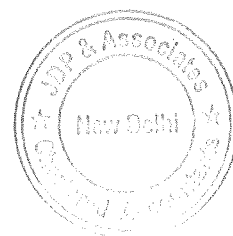
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and



**Begonia Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2020**

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lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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.

***Financial liabilities***

*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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below: 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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. 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 recognised 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/ loss 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 recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

*Loans and borrowings*



## Begonia Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2020

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This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 12.

#### *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 recognised 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 recognised less cumulative amortisation.

#### *Derecognition*

A financial liability is derecognised 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 recognised in the statement of profit or loss.

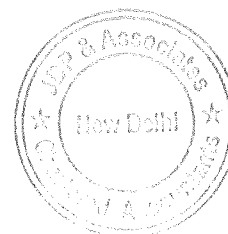
#### **Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### *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. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. 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 recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

*Offsetting of financial instruments*

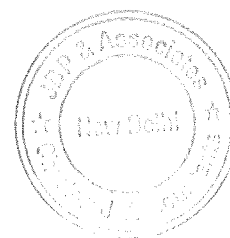
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities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

**(n) Cash and cash equivalents**

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

**(q) Measurement of EBITDA**

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs, and tax expense.



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

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**26. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Impairment of property, plant and equipment**

Each hotel property is an identifiable asset that generates cash inflows and is independent of the cash inflows of the other hotel properties, hence identified as cash generating units. The Company assesses the carrying amount of hotel properties (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

<b>Particulars</b>	<b>As at March 31, 2020</b>
Discount Rate ( <i>pre tax rate of WACC</i> )	12.50%
Long Term Growth Rate	5.50%

As at March 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount and the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the CGU.

**b) Loss Allowance on trade receivables**

An impairment analysis of trade receivables is performed at each reporting period based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. In calculating expected credit loss, the Company has also considered the likelihood of consequential default considering emerging situations due to COVID-19 and has taken into account estimates of possible effect from the pandemic relating to COVID-19. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2020 is considered adequate.

**c) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020****d) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

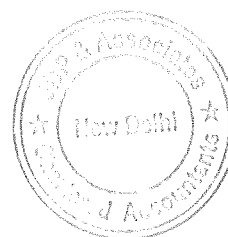
The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 27.

**27. Gratuity and other post-employment benefit plans***Rs. in lakhs*

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Gratuity plan	<b>3.59</b>	2.98
<b>Total</b>	<b>3.59</b>	2.98

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.



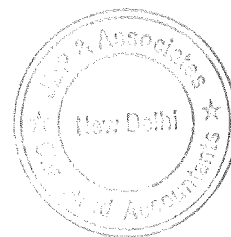
Begonia Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2020

3 Property, plant and equipment

*Rs. in lakhs*

Particulars	Freehold land	Building on freehold land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Computers	Vehicles *	Total
<b>Cost or valuation</b>										
At April 1, 2018	534.56	537.98	44.08	25.99	72.10	3.25	101.31	6.56	6.44	1,332.28
Additions	-	178.00	35.17	19.35	34.69	-	120.58	-	31.79	419.59
Disposals	-	-	11.47	-	-	-	-	-	-	11.47
At March 31, 2019	534.56	715.98	67.78	45.34	106.79	3.25	221.89	6.56	38.23	1,740.39
Additions	-	25.72	18.57	-	1.12	3.26	-	-	-	48.67
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2020	534.56	741.71	86.35	45.34	107.91	6.51	221.89	6.56	38.23	1,789.07
<b>Depreciation</b>										
At April 1, 2018	-	42.14	14.18	14.43	21.51	2.57	31.33	4.96	0.30	131.43
Charge for the year	-	14.64	5.99	2.41	9.64	0.68	18.94	0.62	1.92	54.85
Disposals	-	-	8.86	-	-	-	-	-	-	8.86
At March 31, 2019	-	56.79	11.31	16.83	31.16	3.25	50.27	5.58	2.23	177.41
Charge for the year	-	13.09	10.42	2.76	11.56	-	25.35	0.35	6.05	69.58
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2020	-	69.88	21.73	19.59	42.72	3.25	75.62	5.94	8.27	247.00
<b>Net Book value</b>										
At March 31, 2020	534.56	671.83	64.62	25.75	65.19	3.26	146.27	0.62	29.96	1,542.07
At March 31, 2019	534.56	659.20	56.47	28.51	75.64	-	171.62	0.98	36.00	1,562.98

\* Vehicle is mortgage against loan availed from bank



Begonia Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2020

4 Intangible Assets				Rs in lakhs	
Particulars	Software	Goodwill	Total		
Cost or valuation					
At April 1, 2018	0.38	0.08	0.46		
Additions	5.43	-	5.43		
Disposals	-	-	-		
At March 31, 2019	5.80	0.08	5.88		
Additions	-	-	-		
Disposals	-	-	-		
At March 31, 2020	5.80	0.08	5.88		
At April 1, 2018	0.22	0.02	0.24		
Amortisation	0.66	0.01	0.67		
Disposals	-	-	-		
At March 31, 2019	0.88	0.03	0.91		
Amortisation	0.74	0.01	0.74		
Disposals	-	-	-		
At March 31, 2020	1.62	0.04	1.66		
Net Block					
At March 31, 2020	4.19	0.04	4.23		
At March 31, 2019	4.92	0.05	4.97		





**Begonia Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2020**

**5 Financial assets**

**(i) Investments**

**Investments in unquoted Equity Instruments (at fair value through P&L)**

14,644,000 (Previous year 11,615,000) Equity shares of Iora Hotels Private Limited of Rs. 1 each fully paid.

**2,900.04**      2,300.00

**Investments at fair value through Profit & Loss**

**Quoted mutual funds**

Nil (Previous year 8690.267) Units of Reliance Low Duration Fund-Direct Growth Plan Growth

-      229.46

Nil (Previous year 389.747) Units of Reliance Ultra Short Duration Fund-Direct Growth Plan

-      11.91

Nil (Previous year 6676.324) Units of Reliance Liquid fund-Direct Plan Growth Plan - Growth

-      304.57

**2,900.04**      2,845.94

Aggregate book value of quoted investments

-      545.94

Aggregate book value of unquoted investments

**2,900.04**      2,300.00

Aggregate market value of quoted investments

-      545.94

**Current**

-      545.94

**Non-Current**

**2,900.04**      2,300.00

**2,900.04**      2,845.94

**March 31, 2020**      **March 31, 2019**  
**Rs in lakhs**      **Rs in lakhs**

**(ii) Other financial assets**

Security Deposit

**1.06**      1.10

**1.06**      1.10

**Break up of non-current financial assets carried at amortised cost**

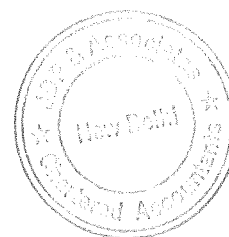
**March 31, 2020**      **March 31, 2019**  
**Rs in lakhs**      **Rs in lakhs**

Security Deposit

**1.06**      1.10

**Total non-current financial assets carried at amortised cost**

**1.06**      1.10



Begonia Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2020

6 Other non-current assets

Advance Income Tax (net of provision for taxation)

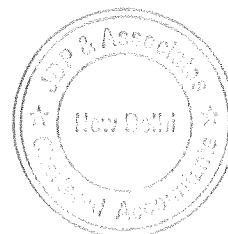
March 31, 2020	March 31, 2019
Rs in lakhs	Rs in lakhs
30.38	46.02
30.38	46.02

7 Inventories

(valued at lower of cost and net realisable value)

Food and beverages (excluding liquor and wine)  
Liquor and wine  
Stores, cutlery, crockery, linen, provisions and others  
Total

March 31, 2020	March 31, 2019
Rs in lakhs	Rs in lakhs
3.11	1.03
6.69	5.31
12.19	7.33
21.99	13.67



**Begonia Hotels Private Limited**

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

**8 Financial assets**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>(i) Trade receivables</b>		
Trade receivables	94.14	109.89
	<u>94.14</u>	<u>109.89</u>
<b>Break-up for security details:</b>		
Trade receivables		
Unsecured, considered good	94.14	109.89
Doubtful	1.27	1.75
	<u>95.41</u>	<u>111.63</u>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Doubtful	1.27	1.75
	<u>1.27</u>	<u>1.75</u>
Total Trade receivables	<u>94.14</u>	<u>109.89</u>

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>(ii) Cash and cash equivalents</b>		
Balance with banks		
On current accounts	113.59	132.53
Cash on hand	1.87	2.24
	<u>115.46</u>	<u>134.77</u>

Cash at banks does not earn any interest.

Cash at bank are non-interest bearing financial assets.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Balances with banks		
on current accounts	113.59	132.53
Cash on hand	1.87	2.24
Total cash and cash equivalents	<u>115.46</u>	<u>134.77</u>

**(iii) Other financial assets**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Security deposits	0.90	1.58
Other bank balances	0.10	1.68
Interest accrued on deposits with banks and others	1.99	0.07
	<u>2.99</u>	<u>3.33</u>

**Break up of current financial assets carried at amortised cost**

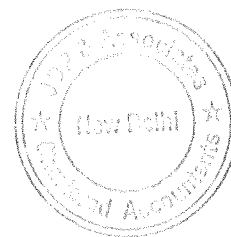
	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Cash and cash equivalents	115.46	134.77
Other bank balances	0.10	1.68
Security deposits	0.90	1.58
Interest accrued on deposits with banks and others	1.99	0.07
Total current financial assets carried at amortised cost	<u>118.45</u>	<u>138.10</u>

**(iv) Loans**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Unsecured, considered good		
Loans and advance to fellow subsidiary	100.00	-
	<u>100.00</u>	<u>-</u>

**9 Other current assets**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Advance for supply of goods and rendering of services	24.22	38.28
Balance with statutory/ government authorities	31.06	33.54
Prepaid expenses	3.50	3.46
	<u>58.79</u>	<u>75.28</u>



Begonia Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2020

10 Equity Share capital

Authorised Share Capital	Equity shares	
	No. of shares	Rs in lakhs
At April 1, 2018	15,000,000	150.00
Increase during the year	-	-
At March 31, 2019	15,000,000	150.00
Increase during the year	-	-
At March 31, 2020	15,000,000	150.00

a) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Re. 1 per share. 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 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.

b) Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid	No. of shares	Rs in lakhs
At April 1, 2018	14,645,682	146.46
Increase during the year	-	-
At March 31, 2019	14,645,682	146.46
Increase during the year	-	-
At March 31, 2020	14,645,682	146.46

c) Shares held by holding company

	March 31, 2020		March 31, 2019	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
Equity shares of Re. 1 each fully paid up				
Lemon Tree Hotels Limited	10,854,592	108.55	10,854,592	108.55

Details of shareholders holding more than 5% shares in the company

	March 31, 2020		March 31, 2019	
	No. of shares	% held as at March 31,	No. of shares	% held as at March 31,
Equity shares of INR 1 each fully paid				
Lemon Tree Hotels Limited	10,854,592	74.11%	10,854,592	74.11%
APG Strategic Real Estate Pool N.V.	3,791,090	25.89%	3,791,090	25.89%

d) Reconciliation of shares outstanding at the beginning and at the end of the year (expressed in absolute numbers)

Particulars	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Equity Shares		
At the beginning of the year	14,645,682	14,645,682
Add: Issued during the year	-	-
At the end of the year	14,645,682	14,645,682

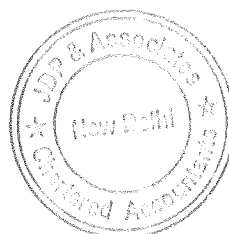
e) The Company has not issued Bonus Share, Share for consideration other than Cash and has not bought back shares during the period of five years immediately preceding the reporting date.

11 Other equity

Securities Premium Reserve	Rs in lakhs
At April 1, 2018	3,051.83
Add: On issue of shares	-
At March 31, 2019	3,051.83
Increase/(decrease) during the year	-
At March 31, 2020	3,051.83

Retained Earnings	Rs in lakhs
At April 1, 2018	905.27
Profit for the year	185.83
At March 31, 2019	1,091.10
Profit for the year	231.01
At March 31, 2020	1,322.11

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Other reserves		
Securities Premium Reserve	3,051.83	3,051.83
Retained Earnings	1,322.11	1,091.10
	4,373.94	4,142.93



**Begonia Hotels Private Limited**

Notes to financial statements for the year ended March 31, 2020

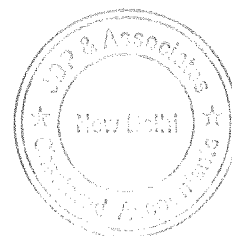
**12 Borrowings**

	Effective Rate of Interest (%)	Maturity	March 31, 2020 Rs in lakhs	March 31, 2019 Rs in lakhs
<b>Non-current borrowings</b>				
<b>Vehicle loans</b>				
<b>Indian rupee Vehicle loans from Banks (Secured)</b>				
Vehicle loans (Refer note 1 below)	8.50%	2022-2023	22.44	25.64
<b>Total non-current borrowings</b>			<b>22.44</b>	<b>25.64</b>
<b>Current borrowings</b>				
<b>Vehicle loans</b>				
<b>Current maturity of long term loans</b>				
Vehicle loans (Refer note 1 below)	8.50%	2022-2023	3.20	5.69
<b>Total current borrowings</b>			<b>3.20</b>	<b>5.69</b>
Less: Amount clubbed under "other financial liabilities"			(3.20)	(5.69)
<b>Net current borrowings</b>			<b>-</b>	<b>-</b>

1) Vehicle loan from HDFC Bank Limited is secured by hypothecation of underlying motor vehicle acquired out of such loans. The loan is repaid on agreed equal monthly installments.

**13 Provisions**

	March 31, 2020 Rs in lakhs	March 31, 2019 Rs in lakhs
<b>Provision for gratuity</b>		
	<b>3.59</b>	<b>2.98</b>
	<b>3.59</b>	<b>2.98</b>
<b>Current</b>	<b>0.89</b>	<b>0.68</b>
<b>Non-current</b>	<b>2.71</b>	<b>2.30</b>
<b>Provision for leave benefits</b>		
	<b>3.16</b>	<b>2.79</b>
	<b>3.16</b>	<b>2.79</b>
<b>Current</b>	<b>3.16</b>	<b>2.79</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>
<b>Total current</b>	<b>4.05</b>	<b>3.47</b>
<b>Total non-current</b>	<b>2.71</b>	<b>2.30</b>



**Begonia Hotels Private Limited**

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

**14 Deferred Tax Liabilities**

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:

Profit or loss section	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>Current tax:</b>		
Current tax on profits for the year	77.82	63.98
Adjustments in respect of current income tax of previous year	(0.35)	(0.46)
<b>Total current tax expense</b>	<b>77.47</b>	<b>63.52</b>
<b>Deferred tax expense/ (income):</b>		
Relating to origination and reversal of temporary differences	(2.73)	13.21
<b>Total deferred tax expense/ (income)</b>	<b>(2.73)</b>	<b>13.21</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>74.74</b>	<b>76.73</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019**

Accounting profit / (loss) before income tax	306.15	262.55
At India's statutory income tax rate	77.05	73.04
Others non deductible items	-	0.02
Other adjustments	-	(1.20)
Impact of change in tax rate	(1.96)	5.33
Adjustments in respect of current income tax of previous years	(0.35)	(0.46)
<b>Total adjustments</b>	<b>(2.30)</b>	<b>3.69</b>
<b>Income tax expense</b>	<b>74.75</b>	<b>76.73</b>

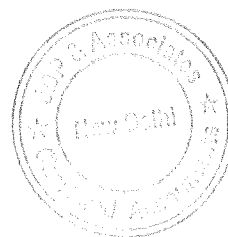
	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>Deferred tax Liabilities</b>		
Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization as per financial statements	39.14	32.79
Fair valuation of current investment	-	9.51
<b>Deferred tax Assets</b>		
Impact of expenditure charged to the statement of Profit and Loss in the current/ earlier year but allowable for tax purposes on payment basis	(4.18)	(4.49)
Provision for expected credit losses	(0.09)	(0.21)
<b>Deferred tax Liabilities (Net)</b>	<b>34.87</b>	<b>37.60</b>

**Movement of deferred tax**

	Profit and Loss	
	March 31, 2020	March 31, 2019
Accumulated depreciation on property, plant and equipment and intangible assets	6.35	9.67
Investment in mutual funds	(9.51)	2.99
Employee benefit provisions	0.31	0.53
Provision for doubtful debts	0.12	0.01
<b>Deferred tax expense/ (income)</b>	<b>(2.73)</b>	<b>13.20</b>

**Reconciliation of deferred tax asset (liability)**

Particulars	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Opening balance as of April 1	37.60	24.40
Deferred tax expense (income) recognised in profit or loss	(2.73)	13.20
<b>Closing balance as of March 31</b>	<b>34.87</b>	<b>37.60</b>



**Begonia Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2020**

**15 Financial liabilities**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>(i) Trade payables</b>		
Trade Payables		
-Micro and small enterprises	3.76	13.43
-Other than Micro and small enterprises	208.61	324.51
	<b>212.37</b>	<b>337.94</b>

Trade payables are non-interest bearing and are settled on terms of 30-60 days.

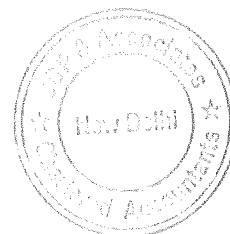
	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>(ii) Other financial liabilities</b>		
Current maturities of long-term borrowings	3.20	5.69
Outstanding dues of other creditors	42.86	29.84
Interest Accrued but not due	-	0.21
	<b>46.06</b>	<b>35.74</b>

**Break up of current financial liabilities carried at amortised cost**

Particulars	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Current maturities of long-term borrowings	3.20	5.69
Outstanding dues of other creditors	42.86	29.84
Interest Accrued but not due	-	0.21
<b>Total financial liabilities measured at amortised cost</b>	<b>46.06</b>	<b>35.74</b>

**16 Other current liabilities**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Advance received from customers	20.50	37.49
Statutory liabilities	7.75	28.38
	<b>28.25</b>	<b>65.87</b>



**Begonia Hotels Private Limited**

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

**17 Revenue from operations**

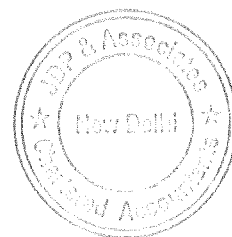
	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>Revenue from operations</b>		
<b>Sale of products and services</b>		
- Room rental	1,068.69	1,013.55
- Food and beverage (excluding liquor and wine)	113.73	127.71
- Liquor and wine	20.57	26.49
- Other Services	73.91	91.50
<b>Revenue from operations</b>	<b>1,276.90</b>	<b>1,259.27</b>

**18 Other income**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
Excess provisions and credit balances written back	0.43	2.04
Sale of scrap	0.22	1.74
<b>Total</b>	<b>0.65</b>	<b>3.78</b>

**19 Cost of materials consumed**

	March 31, 2020	March 31, 2019
	Rs in lakhs	Rs in lakhs
<b>(a) Consumption of food &amp; beverages excluding liquor &amp; wine</b>		
Inventory at the beginning of the year	1.03	2.23
Add: Purchases	118.64	130.34
	119.67	132.57
Less: Inventory at the end of the year	3.11	1.03
Cost of food and beverage consumed	116.56	131.54
<b>(b) Consumption of liquor &amp; wine</b>		
Inventory at the beginning of the year	5.31	6.91
Add: Purchases	9.53	11.92
	14.84	18.83
Less: Inventory at the end of the year	6.69	5.31
Cost of liquor and wine consumed	8.15	13.52
<b>Total</b>	<b>124.71</b>	<b>145.06</b>





**Begonia Hotels Private Limited**

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

<b>20 Employee benefit expense</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
Salaries, wages and bonus	196.64	200.63
Contribution to provident fund and other funds	17.92	11.27
Gratuity expense	0.78	0.72
Leave compensation expenses	0.91	(0.39)
Staff welfare expenses	21.98	6.44
<b>Total</b>	<b>238.23</b>	<b>218.67</b>

<b>21 Other expenses</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
Consumption of stores, cutlery, crockery, linen, provisions and others	36.97	55.73
Rent expenses	15.62	12.61
Power and fuel	89.31	97.94
Linen ,uniform washing and laundry expenses	21.63	18.36
Guest Transportation	25.61	30.17
Equipment hire charges	8.39	25.17
Spa expenses	9.01	10.33
Subscription charges	5.10	2.65
Repair and maintenance expenses		
- Buildings	26.40	12.14
- Plant and machinery	18.16	29.62
- Others	19.23	39.05
Rates and taxes	7.05	9.20
Insurance expense	2.84	2.11
Communication costs	9.67	9.93
Printing and stationery expenses	5.17	8.16
Traveling and conveyance	2.41	4.46
Vehicle running and maintenance expenses	0.81	1.72
Advertisement and business promotion	38.70	39.22
Management fee	59.11	53.03
Commission -other than sole selling agent	64.31	61.46
Security and other contract	44.92	54.99
Membership and subscriptions	0.59	0.47
Legal and professional fees	9.93	6.11
Provision for doubtful debts and advances	-	0.11
Postage and courier	0.67	1.00
Loss on sale of fixed assets	-	0.08
Water and sewerage charges	18.00	16.51
Payment to auditors	1.03	1.03
Donation	-	8.50
Miscellaneous expenses	6.54	5.08
<b>Total</b>	<b>547.18</b>	<b>616.93</b>
<b>Payment to auditor</b>		
- Statutory audit fee	0.55	0.55
- Tax audit fee	0.12	0.12
- for other services	0.36	0.36
<b>Total</b>	<b>1.03</b>	<b>1.03</b>



**Begonia Hotels Private Limited**

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

<b>22 Finance cost</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
Interest		
- on others	2.35	1.10
- on Tax	0.22	-
Bank charges (including commission on credit card collection)	9.61	11.08
<b>Total</b>	<b>12.18</b>	<b>12.18</b>

<b>23 Depreciation and amortization expense</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
Depreciation of tangible assets	69.58	54.85
Amortization of intangible assets	0.74	0.67
<b>Total</b>	<b>70.32</b>	<b>55.52</b>

<b>24 Finance income</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
Interest Income on :		
-Bank Deposits	0.10	0.07
- Interest on income tax refund	-	3.44
-Others	2.14	-
Profit on sale of investment	18.98	33.59
Fair value loss on financial instruments at fair value through profit or loss	-	10.76
<b>Total</b>	<b>21.22</b>	<b>47.86</b>

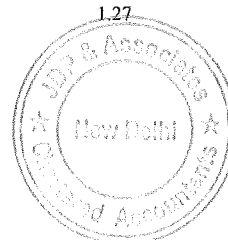
**25 Earnings per share (Basic and Diluted)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS

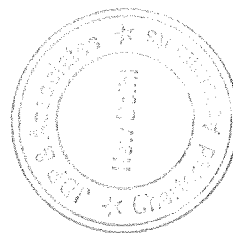
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Profit after tax (Rs in lakhs)	231.01	185.83
Profit for calculation of basic and diluted EPS		
Weighted average number of Equity shares for basic EPS	14,645,682	14,645,682
Weighted average number of Equity shares adjusted for the effect of dilut	-	-
Weighted average number of equity shares in calculating diluted EPS	14,645,682	14,645,682
Basic and diluted EPS	1.58	1.27



**Begonia Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2020**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

		Remeasurement gains/(losses) in other comprehensive income							Rs. In lakhs
Gratuity cost charged to profit or loss		Return on plan assets (excluding amounts included in net interest expense)		Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2020
April 1, 2019	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid					
2.98	0.57	0.21	0.78	(0.57)	-	0.10	0.30	0.40	3.59
-	-	-	-	-	-	-	-	-	-
<b>Defined benefit obligation</b>	<b>2.98</b>	<b>0.57</b>	<b>0.21</b>	<b>(0.57)</b>	<b>-</b>	<b>0.10</b>	<b>0.30</b>	<b>0.40</b>	<b>3.59</b>
<b>Fair value of plan assets</b>									
<b>Benefit liability</b>	<b>2.98</b>	<b>0.57</b>	<b>0.21</b>	<b>(0.57)</b>	<b>-</b>	<b>0.10</b>	<b>0.30</b>	<b>0.40</b>	<b>3.59</b>



**Begonia Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2020**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019:

		Remeasurement gains/(losses) in other comprehensive income							Rs. In lakhs
Gratuity cost charged to profit or loss		Return on							
April 1, 2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer
									March 31, 2019
Defined benefit obligation	2.69	0.52	0.20	0.72	(0.42)	-	0.03	(0.04)	2.98
Fair value of plan assets	-	-	-	-	-	-	-	-	-
<b>Benefit liability</b>	<b>2.69</b>	<b>0.52</b>	<b>0.20</b>	<b>0.72</b>	<b>(0.42)</b>	<b>-</b>	<b>0.03</b>	<b>(0.04)</b>	<b>2.98</b>



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

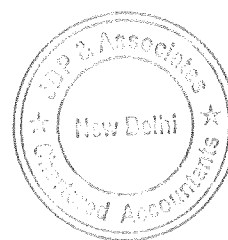
The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Discount rate:</b>	<b>%</b>	<b>%</b>
Pension plan	<b>6.10%</b>	<b>7.00%</b>
<b>Future salary increases:</b>		
Pension plan	<b>5.00%</b>	<b>5.00%</b>
<b>Life expectation for pensioners at the age of 65:</b>	<b>Years</b>	<b>Years</b>
<b>Pension plan</b>		
Male	<b>60</b>	<b>60</b>
Female	<b>60</b>	<b>60</b>

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

**India gratuity plan:**

	<b>March 31, 2020</b>	<b>March 31, 2020</b>	<b>March 31, 2020</b>	<b>March 31, 2020</b>
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
<b>Sensitivity Level</b>	<b>1% increase</b>	<b>1% decrease</b>	<b>1% increase</b>	<b>1% decrease</b>
<b>Impact on defined benefit obligation</b>	<b>(0.11)</b>	<b>0.12</b>	<b>0.12</b>	<b>(0.11)</b>



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.09)	0.10	0.10	(0.10)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	<i>Rs. In lakhs</i>	
Duration (Years)	March 31, 2020	March 31, 2019
1	0.92	0.70
2	0.74	0.61
3	0.61	0.55
4	0.48	0.45
5	0.39	0.36
Above 5	1.34	1.20
<b>Total expected payments</b>	<b>4.48</b>	<b>3.88</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2019: 5 years).

**28. Commitments and contingencies****a. Commitments**

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

At March 31, 2020, the Company had Nil commitments (March 31, 2019: Rs Nil)

**b. Contingent liabilities**

**Claims against the Company not acknowledged as debts**

*Rs. In lakhs*

		March 31, 2020	March 31, 2019
a.	Claims against the Company not acknowledged as debt		
	- Service tax demand for year ended March 2012	11.56	11.56



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

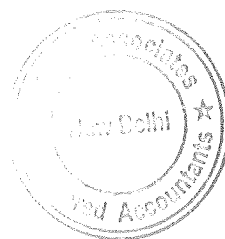
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**29. Related Party Transactions**

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a) Names of related parties where control exists irrespective of whether transactions have occurred

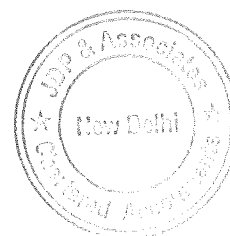
Holding company	-Lemon Tree Hotels Limited
Fellow subsidiary companies	<ul style="list-style-type: none"><li>- Iora Hotels Private Limited</li><li>- Fleur Hotels Private Limited</li><li>- Hyacinth Hotels Private Limited</li></ul>
Key Management Personnel	<ul style="list-style-type: none"><li>-Mr. Cyrus Mehernosh Madan (Director)</li><li>-Mr. Dominic James Doran (Director)</li><li>(Till August 9, 2019)</li><li>-Mr. Rajesh Kumar (Director)</li><li>-Mr. Brian Lap Hei Hung (Additional Director)</li><li>(From 9<sup>th</sup> August, 2019)</li></ul>
Enterprise in which Holding company has Significant Influence	-Mind Leaders Learning India Private Limited



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

<i>Rs. In lakhs</i>				
Transactions with Related party	Year Ended	Holding Company	Fellow Subsidiary Company	Enterprise in which Holding Company has Subsequent Influence
<b>Expenses Incurred by party on company behalf</b>				
Lemon Tree Hotels Limited	31-Mar-20	0.40	-	-
	31-Mar-19	0.53	-	-
<b>Loan given</b>				
Iora Hotels Private Limited	31-Mar-20		100.00	
	31-Mar-19		-	
<b>Management Fee Paid(Net of Taxes)</b>				
Lemon Tree Hotels Limited	31-Mar-20	105.22	-	-
	31-Mar-19	105.69	-	-
<b>Amount Received by the party on behalf of company</b>				
Lemon Tree Hotels Limited	31-Mar-20	1.38	-	-
	31-Mar-19	-	-	-
Fleur Hotels Private Limited	31-Mar-20	-	0.24	
	31-Mar-19	-	-	
Hyacinth Hotels Pvt. Ltd.	31-Mar-20		0.42	
	31-Mar-19		-	
<b>Interest Income</b>				
Iora Hotels Private Limited	31-Mar-20		2.13	
	31-Mar-19		-	
<b>Training Fee Paid</b>				
Mind Leaders Learning India Private Limited	31-Mar-20			2.80
	31-Mar-19	-	-	2.19
<b>Conversion of Investment made in debentures into equity shares</b>				
Iora Hotels Private Limited	31-Mar-20	-	-	-
	31-Mar-19	-	2,300.00	-
<b>Outstanding as at year end</b>				
Lemon Tree Hotels Limited	31-Mar-20	56.10		
	31-Mar-19	21.82	-	-
Iora Hotels Private Limited	31-Mar-20		100.00	





**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

	31-Mar-19		-	
Mind Leaders Learning India Private Limited	31-Mar-20			<b>0.89</b>
	31-Mar-19	-	-	0.09
<b>Investment in equity shares</b>				
Iora Hotels Private Limited	31-Mar-20		<b>2900.04</b>	
	31-Mar-19		2300.00	
<b>Interest accrued but not due</b>				
Iora Hotels Private Limited	31-Mar-20		<b>1.92</b>	
	31-Mar-19		-	

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the period ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Commitments with related parties**

The company has not entered into any commitments with related parties during the year.

**30. Fair value Measurement**

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument

**a. Financial instruments by category***Rs. In Lakhs*

	<b>March 31, 2020</b>		<b>March 31, 2019</b>	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Trade Receivables	-	<b>94.14</b>	-	109.89
Security Deposits	-	<b>1.96</b>	-	2.68
Other bank balances	-	<b>0.10</b>	-	1.68
Cash and Cash Equivalents	-	<b>115.46</b>	-	134.77
Loans and advances	-	<b>100.00</b>	-	-
Investment in Fellow subsidiaries	<b>2,900.04</b>	-	2,300.00	-
Unquoted mutual funds	-	-	545.94	-
Interest accrued on deposits with banks and others		<b>1.99</b>		0.07
<b>Total Financial Assets</b>	<b>2900.04</b>	<b>313.65</b>	<b>2,845.94</b>	<b>249.09</b>



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020***Rs. In lakhs*

	<b>March 31, 2020</b>		<b>March 31, 2019</b>	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Borrowings	-	22.44	-	25.64
Trade Payables	-	212.37	-	337.94
Other Current Financial Liabilities	-	46.06	-	35.74
<b>Total Financial Liabilities</b>	-	<b>280.86</b>	-	<b>399.32</b>

**b) Fair value measurement hierarchy for assets and liabilities****Fair value measurement**

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

**i) Level 1**

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**ii) Level 2**

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

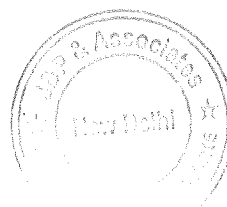
**iii) Level 3**

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

**Financial assets and liabilities measured at fair value***Rs. In lakhs*

	<b>March 31, 2020</b>			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments as FVTPL</b>				
Investment in equity shares	-	-	2,900.04	2,900.04
Unquoted mutual funds	-	-	-	-



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020***Rs. In lakhs*

	March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments as FVTPL</b>				
Investment in equity shares	-	-	2,300.00	2,300.00
Unquoted mutual funds	545.94	-	-	545.94

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdraft, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

**31. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

**Market risk**

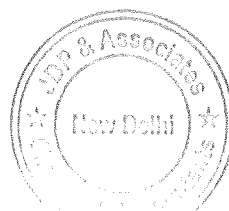
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure in foreign currency.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions and other financial instruments.



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020****(a) Trade receivables**

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Company does not hold collateral as security.

**(b) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amount as illustrated in Note 8.

*Rs. In lakhs*

Ageing	March 31, 2020	March 31, 2019
Not due	-	-
0-60 days past due	50.48	64.50
61-120 days past due	23.44	21.10
121-180 days past due	7.05	7.73
180-365 days past due	2.81	3.52
365-730 days past due	8.94	13.04
more than 730 days	1.42	-

**Provision for doubtful debts (including provision for expected credit loss)***Rs. In lakhs*

Ageing	March 31, 2020	March 31, 2019
Not due	-	-
0-60 days past due	-	0.12
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
More than 365 days	1.27	1.63

	March 31, 2020	March 31, 2019
<b>Provision at beginning</b>	1.75	1.63
Addition during the year	-	0.12
Reversal during the year	0.48	-
Utilised during the year	-	-
<b>Provision at closing</b>	1.27	1.75

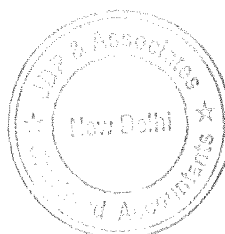


**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020****Liquidity risk**

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Rs. In lakhs					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<hr/>						
<b>Year ended March 31, 2020</b>						
Borrowings	-	-	3.20	22.44	-	25.64
Trade and other payables	212.37	-	-	-	-	212.37
Financial Liabilities	42.86	-	-	-	-	42.86
	<b>255.23</b>	<b>-</b>	<b>3.20</b>	<b>22.44</b>	<b>-</b>	<b>280.87</b>
<hr/>						
<b>Year ended March 31, 2019</b>						
Borrowings	-	0.91	4.78	25.64	-	31.33
Trade and other payables	337.94	-	-	-	-	337.94
Financial Liabilities	30.04	-	-	-	-	30.04
	<b>367.98</b>	<b>0.91</b>	<b>4.78</b>	<b>25.64</b>	<b>-</b>	<b>399.31</b>



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020****32. 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 holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	<i>Rs. In lakhs</i>	
	<b>March 31,2020</b>	<b>March 31, 2019</b>
Borrowings (Note 12)	25.64	31.32
Trade payables (Note 15)	212.37	337.94
Less: cash and cash equivalents (Note 8)	115.46	134.77
<b>Net debt</b>	<b>122.55</b>	<b>234.49</b>
Total capital(Including preference share)	4,520.40	4,289.40
<b>Capital and net debt</b>	<b>4,642.95</b>	<b>4,523.89</b>
Gearing ratio	<b>2.64%</b>	<b>5.18%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.



**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020**

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**33. Segment Reporting**

The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 – “Operating Segments”.

**Information about geographical areas**

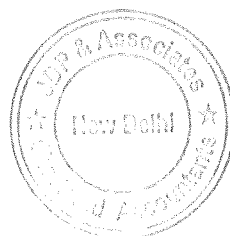
The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – “Operating Segments”.

**Information about major customers**

Below is the detail of customer individually accounted for more than 10% of the revenue

Party	Rs. In lakhs	
	March 31,2020	March 31,2019
Make My Trip India Private Limited	196.73	155.59
AGODA	163.72	-

34. The Company has considered possible effects that may result from the pandemic relating to COVID 19 and has made detailed assessment of its going concern assumption, liquidity position for next one year and believes that they can meet all their obligations with the support of the parent company. Also, the parent Company confirms that they provided unconditional and irrevocable financial support by way of continuous investment in the Company in the form of equity investment and unsecured loan, as and when required. In view of the above, these accounts have been prepared on a going concern basis.
35. During the year under review, the Board of Directors of the Company have approved the Scheme of Amalgamation of Begonia Hotels Private Limited (Transferor 1), Nightingale Hotels Private Limited (Transferor 2) with Fleur Hotels Private Limited (Transferee). The scheme has been electronically filed with National Company Law Tribunal, New Delhi (NCLT). After approval of the Scheme by NCLT, the Transferor companies shall be amalgamated in Fleur Hotels Private Limited w.e.f April 1, 2019 (Appointed date of the Scheme).



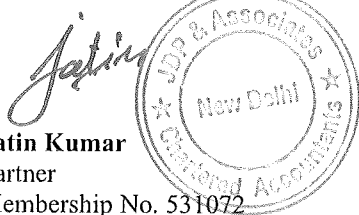
**Begonia Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020****36. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.**

	<i>Rs. In lakhs</i>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	3.76	13.43
the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

As per our report of even date

**For JDP & Associates**Firm Registration No. **026828N**

Chartered Accountants

**Jatin Kumar**

Partner

Membership No. 531072

**For and on behalf of the Board of Directors of  
Begonia Hotels Private Limited****Cyrus Mehernosh Madan**

Director

Din: 02695031

**Rajesh Kumar**

Director

Din: 05251730

Place : New Delhi

Date : May 28, 2020