

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of Fleur Hotels Private Limited  
Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Fleur Hotels Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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



## **Deloitte Haskins & Sells LLP**

### **Emphasis of Matter**

Attention is invited to Note 31 of the standalone 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

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

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

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



## **Deloitte Haskins & Sells LLP**

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

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

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



## **Deloitte Haskins & Sells LLP**

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.





**Deloitte  
Haskins & Sells LLP**

- 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.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

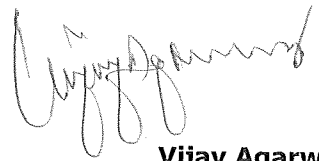
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 33)
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 43)
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer Note 45)

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)



**Vijay Agarwal**

(Partner)

(Membership No. 094468)

UDIN: 20094468AAAACP7768

Place: New Delhi

Date: May 29, 2020



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the Management during the year physically verified certain fixed assets and no discrepancies were noticed on such verification.
- (c) According to the information, explanations given to us, and the records examined by us, we report that:
  - i. based on examination of the confirmation received by us from "Vistra ITCL (India) Limited" (custodian) on behalf of Yes Bank, "Catalyst Trusteeship Limited" (custodian) on behalf of Aditya Birla Finance Limited, and confirmation received from Kotak Mahindra Bank and Axis bank in respect of immovable properties (freehold land and buildings disclosed as fixed asset in the financial statements), whose title deeds have been pledged as security for loans, are held in the name of the Company.
  - ii. based on the examination of the registered sale deeds and conveyance deeds of remaining immovable properties of freehold land provided to us, such immovable properties are held in the name of the Company as at the balance sheet date.
- (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) According to the information provided and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.



**Deloitte  
Haskins & Sells LLP**

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans, made investments or provide guarantees under Section 185 of the Companies Act, 2013. As per Section 186 (11) read with Schedule VI, provisions of Section 186 with respect to grant of loans and providing guarantees would not apply to the Company as the Company is providing infrastructural facilities.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, hence reporting under clause (vi) of the Companies (Auditor's Report) Order, 2016 ("CARO 2016") is not applicable.
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Employees' State Insurance, Provident Fund, Income-tax, Value added tax, Goods and Services tax, cess and other material statutory dues applicable to it to the appropriate authorities. Further Goods and Service tax for the month of March 2020 has not been deposited due to lockout period, and extension of time is being granted for payment of certain dues by the Government authorities for payment of such dues due to lockdown of COVID 19. Also refer to the note 33(e) in the financial statement regarding management assessment on certain matters relating to the provident fund.  
We are informed that Excise duty is not applicable to the Company.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Value added tax, Goods and Services tax, Custom duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.  
We are informed that Excise duty is not applicable to the Company.
- (c) There are no dues of Income tax, Sales tax, Customs duty, Value added tax and Excise duty which have not been deposited as on March 31, 2020 on account of disputes. Details of dues of Service tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

C/S  
④

**Deloitte  
Haskins & Sells LLP**

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount* (Rs. in lacs)
Service Tax Rule, 1994	Service tax	Central Excise and Service Tax Appellate tribunal	October 2010 to March 2011	69.28

\* Net of Rs. 23.10 lacs paid under protest

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institution. Further the Company has opt for a moratorium period from March 2020 to August 2020 for repayment of term loans/ working capital financing facilities 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 government or issued any debentures.
- (ix) In our opinion and according to the information and explanation given to us, the term loan have been applied by the Company during the year for the purposes for which they were raised. The company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to information and explanation given to us, the Company has not paid/provided managerial remuneration under the provision of section 197 of the Companies Act, 2013 and hence reporting under clause (xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, for all transactions with the related parties entered during the period and the details of related party transactions

*Handwritten signature/initials*

**Deloitte  
Haskins & Sells LLP**

have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) According to information and explanation given to us, the Company has made private placement of shares during the year under review.

In respect of above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

During the year, the Company has not made any preferential allotment of shares and any preferential allotment or private placement of fully or partly convertible debenture.

- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of CARO 2016 is not applicable to the Company.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)



**Vijay Agarwal**  
(Partner)

(Membership No. 094468)

UDIN: 20094468AAAACP7768

Place: New Delhi  
Date: May 29, 2020



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 Fleur Hotels Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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.

lib  
@

## **Deloitte Haskins & Sells LLP**

### **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.

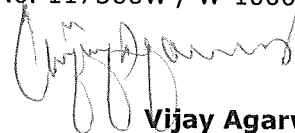
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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, to the best of our information and according to the explanations given to us, 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 criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)



**Vijay Agarwal**  
(Partner)

(Membership No. 094468)  
UDIN: 20094468AAAACP7768

Place: New Delhi  
Date: May 29, 2020



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

	Note	As at March 31, 2020 Rs. in lakhs	As at March 31, 2019 Rs. in lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	136,386.68	71,141.28
(b) Capital work-in-progress	4	346.24	56,172.12
(c) Intangible assets	5	218.88	104.67
(d) Right to use asset	6	16,046.50	-
(e) Financial assets	7	90,899.76	41,395.30
(i) Investments		696.89	523.55
(ii) Other financial assets		61.20	-
(f) Deferred tax assets (net)	18	585.00	301.76
(g) Non-current tax assets (net)	8	1,848.02	2,451.95
(h) Other non-current assets	9	247,089.17	172,090.63
<b>Current assets</b>			
(a) Inventories	10	243.60	145.31
(b) Financial assets	11	1,526.54	1,118.12
(i) Trade receivables		1,318.90	625.76
(ii) Cash and cash equivalents		5,726.84	4,753.47
(iii) Loans		1,664.58	1,650.75
(c) Other current assets	12	10,480.46	8,293.41
<b>Total Assets</b>			
		257,569.63	180,384.04
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	13	8,289.77	5,928.63
(b) Other equity	14	138,159.95	102,812.63
<b>Total Equity</b>		146,449.72	108,741.26
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	76,151.81	53,600.37
(ii) Lease liability	16	18,252.77	-
(b) Provisions	17	19.06	16.12
(c) Deferred tax liabilities (net)	18	-	260.21
		94,423.64	53,876.70
<b>Current liabilities</b>			
(a) Financial liabilities	19		
(i) Borrowings		4,825.17	4,620.00
(ii) Trade payables		4,803.81	2,656.90
(iii) Other financial liabilities		6,440.06	9,980.91
(b) Other current liabilities	20	570.21	477.64
(c) Provisions	17	57.02	30.63
		16,696.27	17,766.08
<b>Total Liabilities</b>			
		111,119.91	71,642.78
<b>Total Equity and Liabilities</b>			
		257,569.63	180,384.04

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

1 to 45

As per our report of even date

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Vijay Agarwal  
Partner

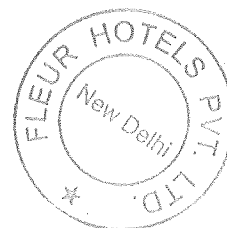
For and on behalf of the Board of Directors of  
Fleur Hotels Private Limited

Patanjali G. Keswani  
Chairman & Managing Director  
DIN-00002974

Sonali Manchanda  
Company Secretary

Place : New Delhi  
Date : May 29, 2020

Inder Pal Batra  
Chief Financial Officer



Place : New Delhi  
Date : May 29, 2020



**Fleur Hotels Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2020**

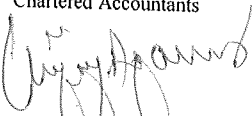
	Note	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
Revenue from operations	21	21,028.66	11,447.49
Other income	22	113.80	31.38
<b>Total Income (I)</b>		<b>21,142.46</b>	<b>11,478.87</b>
<b>Expenses</b>			
Cost of food & beverages consumed	23	2,055.70	1,304.46
Employee benefits expense	24	4,306.54	2,326.55
Other expenses	25	7,722.96	5,454.75
<b>Total expenses (II)</b>		<b>14,085.20</b>	<b>9,085.76</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II) (Refer note 2.2 (p))</b>		<b>7,057.26</b>	<b>2,393.11</b>
Finance costs	26	6,828.86	1,388.18
Finance income	27	(179.51)	(44.86)
Depreciation and amortization expense	28	3,887.09	1,419.48
<b>Loss before tax</b>		<b>(3,479.18)</b>	<b>(369.69)</b>
Tax expense:			
(1) Adjustment of tax relating to earlier periods	29	5.57	-
(2) Deferred tax		-	(89.19)
<b>Loss for the year</b>		<b>5.57</b>	<b>(89.19)</b>
Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		(8.45)	2.89
(ii) Income tax effect		-	(0.96)
<b>Total comprehensive loss for the year</b>		<b>(8.45)</b>	<b>1.93</b>
Earnings per equity share:			
(1) Basic	30	(5.59)	(0.47)
(2) Diluted	30	(5.59)	(0.47)

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

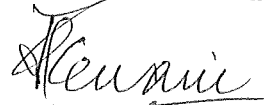
1 to 45


As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

  
**Vijay Agarwal**  
Partner

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

  
**Patanjali G. Keswani**  
Chairman & Managing Director  
DIN-00002974

  
**Inder Pal Batra**  
Chief Financial Officer

  
**Sonali Manchanda**  
Company Secretary

Place : New Delhi  
Date : May 29, 2020

Place : New Delhi  
Date : May 29, 2020



Fleur Hotels Private Limited  
Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid  
As at April 1, 2018  
Issue of share capital  
As at March 31, 2019  
Issue of share capital  
As at March 31, 2020

No. of shares	Amount (Rs in lakhs)
59,286,253	5,928.63
-	-
59,286,253	5,928.63
23,611,439	2,361.14
82,897,692.00	8,289.77

B. Other Equity  
For the year ended March 31, 2020

	Reserves and Surplus		Items of OCI Remeasurement gains/(losses) on defined benefit plans	Other component of Equity	Equity Component- Preference Share	Capital Reserve Account*	Other equity
	Securities Premium	Surplus/(Deficit) in the statement of profit & loss					
Balance as at April 1, 2018							
On account of Merger (Refer Note No.39)	89,422.28	3,907.46	(2.93)	-	-	-	93,326.81
Loss for the year	9,690.20	(30.91)	-	21.52	83.58	-	9,764.39
Other Comprehensive Loss for the year	-	(280.50)	-	-	-	-	(280.50)
Balance as at March 31, 2019	99,112.48	3,596.05	1.93	-	-	-	1.93
Loss for the year	-	(3,484.75)	(1.00)	21.52	83.58	-	102,812.63
Other Comprehensive Income for the year	-	-	-	-	-	-	(3,484.75)
Issue of share capital	40,901.04	-	(8.45)	-	-	-	(8.45)
On account of Merger (Refer Note No.39)	-	-	-	(21.52)	-	-	40,879.52
Due to Impact of INDAS 116 (Refer Note No.33)	-	-	-	-	-	(1,205.02)	(1,205.02)
Balance as at March 31, 2020	140,013.52	(833.98)	-	-	-	-	(833.98)
* Refer Note No.39		(722.68)	(9.45)	-	83.58	(1,205.02)	138,159.95

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

1 to 45

As per our report of even date

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Vijay Agarwal  
Partner

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

Palanji G. Keswani  
Chairman & Managing Director  
DIN-00002974

Sonali Manchanda  
Company Secretary

Inder Pal Batra  
Chief Financial Officer

Place : New Delhi  
Date : May 29, 2020



**Fleur Hotels Private Limited**  
Cash flow statement for the year ended March 31, 2020

	Year ended March 31, 2020 Rs in lakhs	Year ended March 31, 2019 Rs in lakhs
<b>A. Cash flow from operating activities</b>		
Loss before tax		
Non-cash adjustments to reconcile profit before tax to net cash flows:	(3,479.17)	(369.69)
Depreciation and amortisation expenses	3,887.09	1,419.48
Unwinding of discount on security deposits	47.53	18.46
Finance income (including fair value change in financial instruments)	(179.51)	(44.86)
Finance costs (including fair value change in financial instruments)	6,690.83	1,297.80
Provision for doubtful debts and advances	94.48	-
Provision for gratuity	2.18	2.99
Provision for leave encashment	18.70	9.47
Net (gain)/ loss on sale of property plant and equipment	1.44	-
<b>Operating profit before working capital changes:</b>	<b>7,083.57</b>	<b>2,333.65</b>
Movements in working capital:		
Decrease/(Increase) in trade receivables	(408.42)	52.23
(Increase) in loans and advances and other current assets	(1,249.87)	(1,128.72)
(Increase) in inventories	(98.30)	(26.88)
Increase/(decrease) in liabilities and provisions	(1,197.20)	2,487.94
<b>Cash Generated from Operations</b>	<b>4,129.78</b>	<b>3,718.22</b>
Direct tax refunds(Net of Payments)	(288.78)	(163.76)
<b>Net cash flow from operating activities (A)</b>	<b>3,841.00</b>	<b>3,554.46</b>
<b>B. Cash flows used in investing activities</b>		
Purchase of property, plant and equipment (adjustment of CWIP, capital advances and capital creditors)	(12,558.98)	(25,542.84)
Proceeds from sale of property, plant & equipment	1,124.42	-
Purchase of investment in subsidiary companies	(49,504.46)	-
Short term loans (given)/repaid (to)/by subsidiaries	(973.37)	(1,358.14)
Net gain/ (loss) on sale of current investments	157.68	-
Interest received	21.83	39.95
<b>Net Cash flow used in investing activities (B)</b>	<b>(61,732.88)</b>	<b>(26,861.03)</b>
<b>C. Cash flows from financing activities*</b>		
Proceeds from issuance of share capital	42,087.98	506.55
Payment of Lease liability	(1,328.27)	-
Proceeds from long term borrowings	34,504.50	24,349.52
Repayment of long term borrowings	(11,864.91)	(320.00)
Proceeds/repayment from short term borrowings	205.17	450.00
Interest paid	(5,019.45)	(1,297.82)
<b>Net Cash flow from financing activities (C)</b>	<b>58,585.02</b>	<b>23,688.25</b>

(This space has been intentionally left blank)



**Fleur Hotels Private Limited**

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

	For the year ended March 31, 2020 Rs in lakhs	For the year ended March 31, 2019 Rs in lakhs
Net increase in cash and cash equivalents (A + B + C)		
Cash and cash equivalents at the beginning of the year	693.14	381.68
Cash and cash equivalents acquired on amalgamation	625.76	236.53
Cash and cash equivalents at the end of the year	-	7.55
	1,318.90	625.76
Components of cash and cash equivalents		
Cash on Hand		
Balances with Scheduled Banks in - Current accounts	23.60	10.16
	1,295.30	615.60
<b>Total cash and cash equivalents</b>	<b>1,318.90</b>	<b>625.76</b>

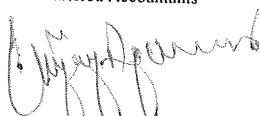
\*There are no non-cash changes arising from financing activities.

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

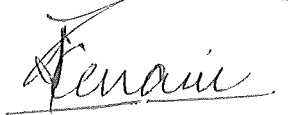
1 to 45

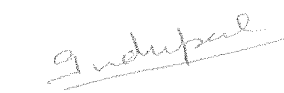
As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

  
Vijay Agarwal  
Partner

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

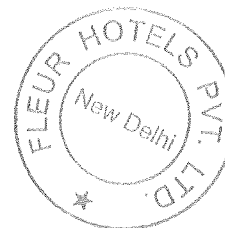
  
Patanjali G. Keswani  
Chairman & Managing Director  
DIN-00002974

  
Inder Pal Batra  
Chief Financial Officer

  
Sonali Manchanda  
Company Secretary

Place : New Delhi  
Date : May 29, 2020

Place : New Delhi  
Date : May 29, 2020



126

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

---

**1. Corporate Information**

Fleur 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. under the brand name of Lemon Tree Hotel, Lemon Tree Premier, Red Fox Hotel and Aurika.

The financial statements are approved for issue in accordance with a resolution of the directors on May 29, 2020.

**2 Basis of preparation**

**2.1 Significant accounting policies**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost (refer note 35 below)

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing account standard required a change to the accounting policy hitherto in use.

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.

Q



## **Fleur Hotels Private Limited**

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

---

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.

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**

##### **Functional and presentation currency**

The Company's financial statements are presented in INR, which is also the Company's functional currency. Presentation currency is the currency in which the company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of lakhs rupees, except where otherwise stated.

##### **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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



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

---

**(c) Fair value measurement**

The Company measures financial instruments 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:

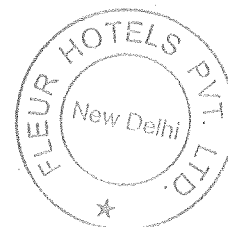
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the 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 Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Q



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

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.

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 31)
- Quantitative disclosures of fair value measurement hierarchy (note 35)
- Financial instruments (including those carried at amortised cost) (note 35)

**(d) Revenue recognition**

The Company earns revenue primarily from the business of carrying developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand of Lemon Tree Premier, Lemon Tree Hotel, Red Fox Hotel and Aurika.

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.

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.

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.

Sales tax/ value added tax (VAT)/Goods and Service Tax(GST) 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) /Goods and Service Tax(GST) and Luxury Tax. Difference of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.





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

---

*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/Goods and Service Tax(GST).

*Interest income*

For all financial instruments measured at amortized cost, 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.

*Management Fee*

Revenue from management services comprises fixed & variable income. Fixed income is recognised pro-rata over the period of the contract as and when services are rendered. Variable income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

**(e) Taxes**

Taxes comprises current income tax and deferred tax.

*Current income tax*

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 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.

①



## **Fleur Hotels Private Limited**

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

---

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT credit) 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets (including MAT credit available) 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 re-assessed 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.



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

*Sales/ value added taxes/goods and service tax paid on acquisition of assets or on incurring expenses*

Expenses and assets are recognised net of the amount of sales/ value added taxes/goods and service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

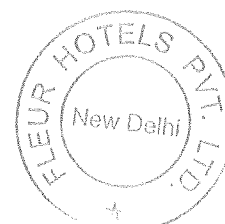
Capital work in progress is stated at cost. Property plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated

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 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:

Fixed Assets	Useful life considered (SLM)
Building	60 Years
Plant & Machinery	15 Years
Electrical installations and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	8 Years
Commercial Vehicles	6 Years
Private Vehicles	8 Years
Computers	3 Years
Crockery, cutlery and soft furnishings	3 Years



**Fleur Hotels Private Limited**

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

---

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**

On transition to IND AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intangible asset.

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.

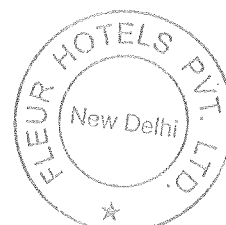
Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually at year end either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If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

**(h) Borrowing costs**

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.



**Fleur Hotels Private Limited**

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

---

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

**(i) Leases**

*As per IND AS 17 applicable till period ended March 31, 2019*

**As a lessee**

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

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

**As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Operating lease receipt are recognised as income in the statement of profit and loss on a straight-line basis over the lease term.

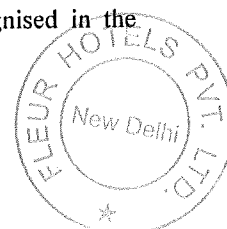
*As per IND AS 116 applicable w.e.f. April 1, 2019*

The Company assesses that the contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (1) The contract involves the use of an identified asset,
- (2) The Company has substantially all of the economic benefits from use of the identified asset, and
- (3) The Company has the right to direct the use of the identified asset.

**Company as a lessee**

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.



## **Fleur Hotels Private Limited**

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

---

The Company measures the lease liability at the present value of the lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company adopts the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, exercise price of a purchase option and payments of penalties for terminating the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these low value leases are recognized as an expense on a straight-line basis over the lease term.

#### **Company as a lessor**

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

#### **(j) 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.

#### **(k) 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.



## **Fleur Hotels Private Limited**

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

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 including impairment on inventories, are recognised in the statement of profit and loss.

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 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.

#### **(I) 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

##### *Contingent Assets/ Liabilities*

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



**(m) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company 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.

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Company's contribution made to Life Insurance Corporation is expensed off at the time of payment of premium.

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 an expense in the 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

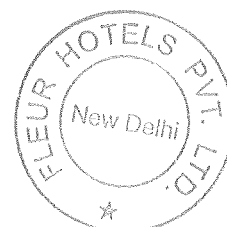
Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts

*Short-term and other long-term employee benefits*

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.





## **Fleur Hotels Private Limited**

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

The company treats leave 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. Remeasurement 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.

#### **(n) 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. The difference between the transaction amount and amortized cost in case of interest free loan to subsidiaries based on the expected repayment period is considered as 'deemed investment on account of interest free loan to subsidiaries' (Refer Note 11(iii)). 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. If there is any change in estimate for payment of loan (provided that there was no error in original estimate), difference in carrying amount and



## **Fleur Hotels Private Limited**

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

---

repayment has been adjusted as return on capital by the parent, based on condition/ situation prevailing on that date. The losses arising from impairment are recognised in the profit or loss.

#### *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 Statement of Profit & Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit & Loss. 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.

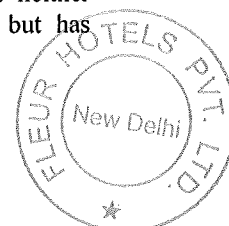
#### *Equity investments*

All equity investments (other than equity investments in subsidiaries) in scope of Ind AS 109 are measured at fair value. Equity instruments in subsidiaries are carried at cost in separate financial statements less impairments if any. Equity 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 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.



## **Fleur Hotels Private Limited**

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

---

#### *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

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

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.

At each reporting date, 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 Company 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 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.

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



**Fleur Hotels Private Limited**

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

---

presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

***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.

***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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

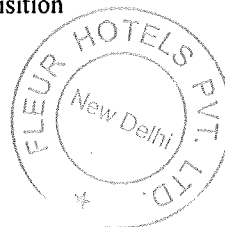
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own 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.

***Financial liabilities at amortised cost***

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

6



**Fleur Hotels Private Limited**

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

---

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 15.

*Financial guarantee*

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

If a financial guarantee is an integral element of debts held by the entity, it is not accounted for separately.

*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.

*Offsetting of financial instruments*

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

**(o) 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.

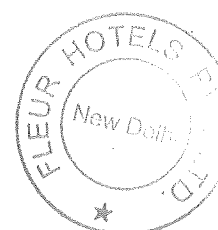
**(p) Measurement of EBITDA**

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.

**(q) Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

①



**Fleur Hotels Private Limited**

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

---

**(r) Earnings Per Share (EPS)**

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**(s) Common Control business combinations**

The Company accounts for business combinations involving entities or businesses under common control using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve Account and is presented separately as Capital Reserve Account.

In terms of the scheme the amalgamation has been accounted for in accordance with the pooling of Interest Method. As per said scheme, the financial information in the financial statements in respect of prior period has been restated w.e.f the appointed date as if business combination occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.



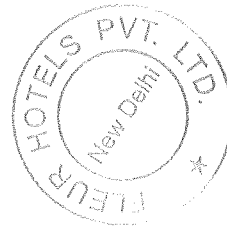
**Fleur Hotels Private Limited**  
Notes to financial statements for the year ended March 31, 2020

**3. Property, plant and equipment**

Particulars	Freehold land	Building on freehold land	Plant and Machinery	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total
<i>Cost or valuation</i>									
As at April 1, 2018	22,609.39	20,728.24	4,206.81	43.45	1,244.45	379.31	58.96	84.95	49,355.56
Additions	261.86	15,645.25	2,649.40	16.00	985.56	803.19	74.38	59.77	20,505.41
Acquired on Amalgamation (Refer note 39)	4,809.56	-	-	2.81	-	-	0.35	4.40	4,817.12
As at March 31, 2019	27,680.81	36,373.49	6,856.21	62.26	2,240.01	1,182.50	133.69	149.12	74,678.09
Additions	788.70	56,836.83	7,228.45	54.90	2,287.32	1,853.44	227.20	232.90	69,509.74
Disposals	1,118.85	-	-	-	-	-	-	11.99	1,130.84
As at March 31, 2020	27,350.66	93,210.32	14,084.66	117.16	4,527.33	3,035.94	360.89	370.03	143,056.99
<i>Depreciation</i>									
As at April 1, 2018	-	641.66	881.84	18.85	413.87	126.62	26.12	21.38	2,130.34
Charge for the year	-	435.35	488.26	7.71	210.06	219.62	28.62	13.58	1,401.02
Acquired on Amalgamation (Refer note 39)	-	-	-	1.07	-	-	0.24	4.13	5.44
As at March 31, 2019	-	1,077.01	1,370.10	27.63	623.93	346.24	52.98	38.89	3,536.81
Charge for the year	-	1,076.26	871.54	15.14	371.96	685.81	74.10	43.68	3,138.49
Disposals	-	-	-	-	-	-	-	4.98	4.98
As at March 31, 2020	-	2,153.27	2,241.64	42.77	995.91	1,032.05	127.08	77.59	6,670.31
<i>Net Book value</i>									
As at March 31, 2020	27,350.66	91,057.05	11,843.02	74.39	3,531.42	2,003.89	233.81	292.44	136,386.68
As at March 31, 2019	27,680.81	35,296.48	5,486.11	34.63	1,616.06	836.26	80.71	110.23	71,141.28
<i>Net book value</i>									
Plant, property and equipment	As at March 31, 2020	As at March 31, 2019							
	136,386.68	71,141.28							

**Notes**

a) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 15 on 'borrowings'.

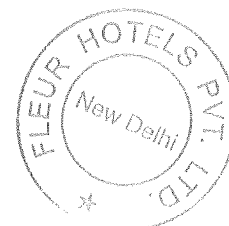


**Fleur Hotels Private Limited**

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

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

	As at March 31, 2020 Rs. in lakhs	As at March 31, 2019 Rs. in lakhs
<b>Hotel at City Centre Pune</b>		
Civil structure acquired on amalgamation	-	3,164.78
Material	-	10,505.55
Professional charges	-	2,080.38
Borrowing cost	-	997.34
Salary, wages & bonus	-	133.43
Project staff expenses other than salary	-	231.88
Travelling	-	15.28
Rates and taxes	-	1,488.04
Others	-	19.67
Less: Capitilised during the year	-	(18,636.34)
<b>Total</b>	-	-
<b>Hotel at Udaipur</b>		
Material	22,362.30	14,818.99
Professional charges	3,946.15	2,944.02
Borrowing cost	2,568.57	1,527.46
Salary, wages & bonus	294.09	242.38
Project staff expenses other than salary	251.00	175.45
Travelling	86.58	27.88
Rates and taxes	73.63	46.89
Others	0.26	0.26
Less: Capitilised during the year	(29,236.34)	-
<b>Total</b>	346.24	19,783.33
<b>Hotel at Kolkata</b>		
Material	9,368.57	6,706.87
Professional charges	1,736.22	1,229.58
Borrowing cost	1,000.21	591.41
Salary, wages & bonus	229.44	129.18
Project staff expenses other than salary	210.14	137.32
Travelling	25.40	15.59
Others	3.12	1.35
Less: Capitilised during the year	(12,573.10)	-
<b>Total</b>	-	8,811.31
<b>Hotel at Dehradun</b>		
Material	-	1,463.03
Professional charges	-	288.23
Salary, Wages & Bonus	-	19.11
Project staff expenses other than salary	-	11.42
Rates and Taxes	-	7.92
Travelling	-	4.34
Less: Capitilised during the year	-	(1,794.04)
<b>Total</b>	-	-
<b>Hotel at Mumbai</b> (Acquired on Amalgamation (Refer note 39))		
Material	13,469.86	16,250.85
Professional charges	2,206.60	2,137.67
Borrowing cost	3,352.24	3,037.44
Salary, wages & bonus	343.35	327.07
Project staff expenses other than salary	647.71	400.96
Travelling	54.91	54.91
Rates and taxes	5,408.85	5,186.04
Others	784.70	182.54
Less: Capitilised during the year	(26,268.22)	-
<b>Total</b>	-	27,577.48
<b>Total</b>	346.24	56,172.12





**Fleur Hotels Private Limited**

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

**5. Intangible Assets**

(This space has been intentionally left blank)

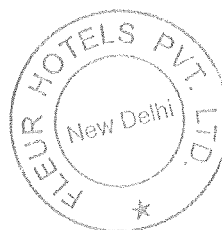
		<i>Rs in lakhs</i>
Particulars	Software	Total
Cost or valuation		
As at April 1, 2018	62.47	62.47
Additions	72.64	72.64
Disposals	-	-
As at March 31, 2019	135.11	135.11
Additions	155.07	155.07
Disposals	-	-
As at March 31, 2020	290.18	290.18
Amortisation and impairment		
As at April 1, 2018	11.98	11.98
Amortisation	18.46	18.46
Disposals	-	-
As at March 31, 2019	30.44	30.44
Amortisation	40.86	40.86
Disposals	-	-
As at March 31, 2020	71.30	71.30
Net Block		
As at March 31, 2020	218.88	218.88
As at March 31, 2019	104.67	104.67

**6. Right of Use Assets\***

		<i>Rs. in lakhs</i>
Particular	Amount	
Balance as at April 01, 2019	12,457.72	
Additions during the year	4,296.52	
Disposals during the year	-	
Depreciation during the year	707.74	
Balance as at March 31, 2020	16,046.50	

\*refer note 33

②



(This space has been intentionally left blank)

**Fleur Hotels Private Limited**
**Notes to financial statements for the year ended March 31, 2020**
**7. Financial assets**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
<b>(i) Investments</b>		
<b>Investments at cost</b>		
<b>Unquoted equity shares of subsidiary companies at cost</b>		
352,677 (Previous Year: 352,677) equity shares of Celsia Hotels Private Limited of Rs. 1 each fully paid.	6,973.93	6,973.93
38,280,000 (Previous Year: 38,280,000) equity shares of Inovoa Hotels & Resorts Limited of Rs. 10 each fully paid.	3,843.54	3,843.54
82,10,000 (Previous Year: 82,10,000) equity shares of Hyacinth Hotels Private Limited of Rs. 1 each fully paid.	13,245.53	13,245.53
76,140,000 (Previous Year: 76,140,000) equity shares of Iora Hotels Private Limited of Rs. 1 each fully paid.	15,007.95	15,007.95
250,000 (Previous Year: 250,000) equity shares of Ophrys Hotels Private Limited of Rs. 1 each fully paid.	2.50	2.50
54,551,616 (Previous Year: Nil) equity shares of Berggruen Hotels Private Limited of Rs. 10 each fully paid.	49,504.16	-
90,110 (Previous Year: 90,110) equity shares of Bandhav Resorts Private Limited of Rs. 100 each fully paid.	2,147.82	2,147.82
<b>Investment in Limited Liability Partnership (at cost)</b>		
Investment in Mezereon Hotels LLP	1.00	1.00
<b>Unquoted equity shares of companies other than subsidiary and associate companies at fair value through profit and loss</b>		
3,031 (Previous Year: Nil) equity shares of SEP Energy Private Limited of Rs. 10 each fully paid.	0.30	-
<b>Deemed investment (equity portion) on account of interest free loan to subsidiaries (Repaid)</b>		
Celsia Hotels Private Limited	7.47	7.47
Inovoa Hotels & Resorts Limited	47.42	47.42
Hyacinth Hotels Private Limited	52.90	52.90
Iora Hotels Private Limited	63.47	63.47
Bandhav Resorts Private Limited	1.77	1.77
	<b>90,899.76</b>	<b>41,395.30</b>
Aggregate book value of quoted investments	-	-
Aggregate book value of unquoted investments	90,899.76	41,395.30
<b>Current</b>	-	-
<b>Non-Current</b>	90,899.76	41,395.30
	<b>90,899.76</b>	<b>41,395.30</b>
<b>(ii) Other financial assets</b>		
Security Deposits (unsecured, considered good)	560.31	367.31
	<b>560.31</b>	<b>367.31</b>
Interest accrued on deposits with banks and others	50.96	70.72
Fixed Deposits under lien*	85.62	85.52
	<b>696.89</b>	<b>523.55</b>

\* Fixed deposits under lien includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

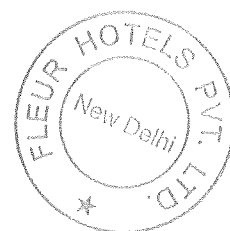


**Fleur Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020****8. Non-Current tax assets (net)**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Advance Income Tax (net of provision for taxation)	585.00	301.76
<b>Total</b>	<b>585.00</b>	<b>301.76</b>

**9. Other non-current assets**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
<b>Unsecured considered good</b>		
Capital Advances	157.07	1,681.70
<b>Others</b>		
Balance with statutory/ government authorities	23.81	23.81
Prepaid expenses	58.99	145.97
Unamortized portion of security deposits	1,608.15	600.47
<b>Total</b>	<b>1,848.02</b>	<b>2,451.95</b>



(This space has been intentionally left blank)

**Fleur Hotels Private Limited****Notes to financial statements for the year ended March 31, 2020****10. Inventories****(valued at lower of cost and net realisable value)**

	As At March 31, 2020 Rs in lakhs	As At March 31, 2019 Rs in lakhs
Food and beverages (excluding liquor and wine)	71.35	38.34
Liquor and wine	48.43	30.55
Stores, cutlery, crockery, linen, provisions and others	123.82	76.42
<b>Total</b>	<b>243.60</b>	<b>145.31</b>

As at March 31, 2020 : Rs. 3.46 lakhs (March 31, 2019: Rs. 3.46 lakhs) was recognised as provision for inventories carried at net realisable value



*(This space has been intentionally left blank)*

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

**11. Financial assets**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
<b>(i) Trade receivables</b>		
Trade receivables	1,526.54	1,118.12
	<u>1,526.54</u>	<u>1,118.12</u>
<b>Break-up for security details:</b>		
Trade receivables		
Unsecured, considered good	1,526.54	1,118.12
Doubtful	94.48	-
<b>Total</b>	<u>1,621.02</u>	<u>1,118.12</u>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Doubtful	94.48	-
	<u>94.48</u>	<u>-</u>
<b>Total</b>	<u>1,526.54</u>	<u>1,118.12</u>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non interest bearing and are generally on terms of 30 to 90 days from the date of invoice.

**(ii) Cash and cash equivalents**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Balance with banks		
On current accounts	1,295.30	615.60
Cash on hand	23.60	10.16
	<u>1,318.90</u>	<u>625.76</u>

**(iii) Loans**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Unsecured, considered good		
Loans and advance to subsidiaries	5,726.84	4,753.47
	<u>5,726.84</u>	<u>4,753.47</u>

**12. Other current assets**

	As At March 31, 2020 Rs in lakhs	As At March 31, 2019 Rs in lakhs
Advances recoverable		
-Others, considered good	570.91	918.38
-Others, considered doubtful	8.75	8.75
	<u>579.66</u>	<u>927.12</u>
Provision for doubtful advances	8.75	8.75
	<u>570.91</u>	<u>918.38</u>
Unbilled revenue	-	0.12
Balance with statutory/ government authorities	842.22	544.71
Interest accrued on fixed deposits	3.25	-
Security deposit	-	3.20
Prepaid expenses	226.90	156.03
Unamortized portion of security deposits	21.30	28.31
	<u>1,093.67</u>	<u>732.37</u>
<b>Total</b>	<u>1,664.58</u>	<u>1,650.75</u>



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

**13 Share capital**

**Authorised Share Capital**

Equity shares	
No. of shares	Rs in lakhs
As at April 1, 2018	121,000,000
Increase/(decrease) during the year	-
As at March 31, 2019	121,000,000
Increase/(decrease) during the year*	300,000
As at March 31, 2020	121,300,000

**Authorised Preference Share Capital**

Preference shares (Face Value of Rs. 100 each)		Preference shares (Face Value of Rs. 10 each)	
No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
As at April 1, 2018	-	-	-
Increase/(decrease) during the year	-	-	-
As at March 31, 2019	-	-	-
Increase/(decrease) during the year*	1,000,000	11,400,000	1,140.00
As at March 31, 2020	1,000,000	11,400,000	1,140.00

\* Authorised Equity Share Capital and Preference Share Capital has been increased consequent to amalgamation of Meringue Hotels Private Limited with Fleur Hotels Private Limited

**Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 10 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.

**Issued equity capital**

**Equity shares of INR 10 each issued, subscribed and fully paid**

No. of shares	Rs in lakhs
As at April 1, 2018	59,286,253
Issued during the year	5,928.63
As at March 31, 2019	59,286,253
Issued during the year*	23,611,439
As at March 31, 2020	82,897,692

\*Company has issued 12,265,439 shares on non cash consideration to Meringue Hotels Private Limited shareholders on merger (Refer Note 38). Further during the year, the Company has issued 1,13,46,000 Compulsorily Convertible Preference Shares of Rs. 10 each which has been converted into 1,13,46,000 Equity shares of Rs. 10 each

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

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% held	No. of shares	% held
<b>Equity shares of Rs. 1 each fully paid up</b>				
Lemon Tree Hotels Limited	43,311,609	52.25%	34,374,498	57.98%
APG Strategic Real Estate Pool N.V.	34,616,555	41.76%	24,911,755	42.02%
Dandelion Hotels Private Limited(Wholly Owned Subsidiary of Lemon Tree Hotels Limited)	4,969,528	5.99%	-	-

**Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

	March 31, 2020	March 31, 2019
Equity shares allotted as fully paid, pursuant to amalgamations (Refer note 39)	No. of Shares	No of Shares
	12,265,439.00	-

14. Other equity

Securities Premium	Rs in lakhs
As at April 1, 2018	89,422.28
Increase/(decrease) during the year	-
Increase: On merger with Meringue Hotels Private Limited (refer note 39)	9,690.20
As at March 31, 2019	99,112.48
Increase/(decrease) during the year	40,901.04
As at March 31, 2020	140,013.52

Preference Share Capital-equity component	Rs in lakhs
As at April 1, 2018	-
Increase: On merger with Meringue Hotels Private Limited (refer note 39)	83.58
As at March 31, 2019	83.58
Increase/(decrease) during the year	-
As at March 31, 2020	83.58

Retained Earnings	Rs in lakhs
As at April 1, 2018	3,904.53
Loss for the year	(278.57)
Increase: On merger with Meringue Hotels Private Limited (refer note 39)	(30.91)
As at March 31, 2019	3,595.05
Loss for the year	(3,493.20)
Increase/(decrease) due to INDAS 116 (refer note 33)	(833.98)
As at March 31, 2020	(732.13)

Capital Reserve Account ( refer note 39)	Rs in lakhs
At 1 April 2018	-
Increase/(decrease) during the year	-
At 31 March 2019	-
Increase/(decrease) during the year	(1,205.02)
At 31 March 2020	(1,205.02)

Other component of Equity	Rs in lakhs
At 1 April 2018	-
Increase/(decrease) during the year	21.52
At 31 March 2019	21.52
Increase/(decrease) during the year	(21.52)
At 31 March 2020	-

	As at March 31, 2020 Rs in lakhs	As At March 31, 2019 Rs in lakhs
Other reserves		
Preference Share Capital-equity component	83.58	83.58
Securities Premium	140,013.52	99,112.48
Retained Earnings	(732.13)	3,595.05
Capital Reserve Account ( refer note 39)	(1,205.02)	-
Other component of Equity	-	21.52
<b>Total</b>	<b>138,159.95</b>	<b>102,812.63</b>

Securities premium: Securities premium comprises premium received on issue of shares.

Retained earnings: Retained earnings comprise balances of profit and loss at each year end.

Capital Reserve Account: Capital reserve account is recorded as difference between share capital issued and the amount of share capital of the transferor.

Preference Share Capital-equity component: represents component of equity of 5% redeemable non cumulative Preference share Capital (transferred on merger of Meringue Hotels Private Limited).

(This space has been intentionally left blank)



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

15. Financial Liabilities

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
<b>(i) Borrowings</b>		
<b>Non-current borrowings</b>		
<b>Term Loans</b>		
<b>Loans from Banks (Secured)</b>		
Yes Bank Limited (Refer note 1, 2, 3, 6 & 10 below)	33,941.21	38,872.55
Kotak Mahindra Bank Limited (Refer note 5 below)	5,873.00	5,942.88
Indusind Bank Limited (Refer Note 7)	4,900.31	-
Axis Bank Limited (Refer Note 9)	18,674.52	8,724.38
Vehicle loans (Refer note 4 below)	147.14	60.56
<b>Loans from financial institutions</b>		
Aditya Birla Finance Limited (Refer Note 8)	12,615.63	-
<b>Total non-current borrowings</b>	<b>76,151.81</b>	<b>53,600.37</b>
<b>Current maturity of loans from Banks</b>		
Yes Bank Limited (Refer note 1, 2, 3, 6 & 10 below)	101.25	500.00
Indusind Bank Limited (Refer Note 7)	50.00	-
Kotak Mahindra Bank Limited (Refer note 5 below)	75.00	-
Vehicle loans (Refer note 4 below)	23.80	21.34
<b>Loans from financial institutions</b>		
Aditya Birla Finance Limited (Refer Note 8)	359.45	-
<b>Current maturity of loans</b>	<b>609.50</b>	<b>521.34</b>
Less: Amount clubbed under "other current financial liabilities"	(609.50)	(521.34)
<b>Net current borrowings</b>	<b>-</b>	<b>-</b>

**Term loans**

1) Rupee term loan I from Yes Bank Limited has been repaid during the year which was taken during financial year 2015-16 and carried interest rate @ 6 months MCLR + 0.90%.

The loan was repayable in scattered quarterly installment beginning from April 2017. Interest was payable monthly as and when due. The company has satisfied following charge:

- Exclusive charge on all immovable assets of Lemon tree Premier, Hyderabad.
- Exclusive charge on all moveable fixed assets and current assets both present and future of LTP, Hyderabad.
- Corporate guarantee of Lemon Tree Hotels Limited.
- Minimum asset cover of 1.5x to be maintained throughout the tenor of bank's loan.

2) Rupee term loan II from Yes Bank Limited has been repaid during the year which was taken during financial year 2016-17 and carried interest rate @ 6 Months MCLR + 0.90%.

The loan was repayable in scattered quarterly installment beginning from July 2018. Interest was payable monthly as and when due. The company has satisfied following charge:

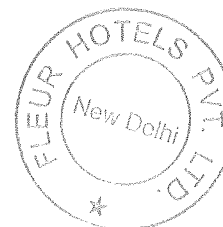
- Exclusive charge on all immovable assets of Lemon tree Premier, Hyderabad.
- Exclusive charge on all moveable fixed assets and current assets both present and future of LTP, Hyderabad.
- Corporate guarantee of Lemon Tree Hotels Limited.
- Minimum asset cover of 1.5x to be maintained throughout the tenor of bank's loan.

3) Rupee term loan III from Yes Bank Limited was taken during financial year 2016-17 and carries interest rate @ 6 Months MCLR + 1.15% (Currently 9.50%).

The loan is repayable in 44 scattered quarterly installment beginning after a moratorium period of 36 months. Interest is payable monthly as and when due. It is secured by:

- First charge on all immovable assets of Lemon Tree Hotel, Sector-60 (both present and future).
- First charge on all moveable fixed and current assets of Lemon Tree Hotel, Sector-60 (both present and future).
- Escrow of all receivables of Lemon Tree Hotel, Sector-60 including security deposits.
- Corporate guarantee of Lemon Tree Hotels Limited.

4) Vehicle loan are secured by hypothecation of underlying motor vehicle acquired out of such loans. Rate of interest of the loan ranges from 9% to 13%. The loan is repaid on agreed monthly installments.





**Fleur Hotels Private Limited**

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

5) Rupee term loan 1 from Kotak Mahindra Bank was taken during financial year 2017-18 and carries interest rate @ 6 months MCLR plus 50 bps (Currently 8.85%). The loan is repayable in 48 scattered quarterly installment beginning after a moratorium period of 36 months. Interest is payable monthly as and when due. The loan is secured by:

- Exclusive charge on all existing and future current assets of Red Fox Hotel at Sector-60, Gurgaon.
- Minimum asset cover of 1.2x to be maintained throughout the tenor of bank's loan as per valuation accepted by bank.
- Subservient charge over all existing and future current assets of the borrower except current assets of the borrower's commercial space at Sector-60, Gurgaon on which bank has exclusive charge.
- Equitable Mortgage by way of exclusive charge on the proportionate share of land and building of commercial space of the borrower at Sector-60, Gurgaon.
- Exclusive charge over Moveable Fixed assets of commercial space at Sector-60, Gurgaon.

6) Rupee term loan IV from Yes Bank Limited was taken during financial year 2018-19 and carries interest rate @ 6 months MCLR + 0.65% (Currently 9.50%). The loan is repayable in scattered quarterly installment beginning from April 2021. Interest is payable monthly as and when due. It is secured by:

- First charge on all immovable assets of Lemon Tree Premier, Kolkata, Lemon Tree Premier, Pune and Lemon Tree Hotel Sector 60
- First charge on all immovable assets of Lemon Tree Premier, Kolkata, Lemon Tree Premier, Pune and Lemon Tree Hotel Sector 60.
- Escrow of all receivables of the above mentioned Hotels including security deposits.
- Corporate guarantee of Lemon Tree Hotels Limited.

7) Indusind Bank Term Loan has been taken during FY 2019-20 over having tenor of 16 years with door door tenor facility shall not exceed 193 months from the date of first disbursement, including moratorium period of nil months (current rate 9.35%). The loan is secured by :

- First charge on all present and future immovable assets of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa)" housed under Begonia Hotels Private Limited
- First charge on all moveable fixed assets (both present and future) and current assets (both present and future) (including Escrow account opened with Indusind Bank Limited) of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa)" housed under Begonia Hotels Private Limited.,
- Exclusive charge on book debts, operating cash flows, credit card receivables, commissions, revenues of whatsoever nature and wherever arising, present and future through Escrow mechanism of the Hotel "Lemon Tree Amarante Beach Resort (At Candolim, Goa) housed under Begonia Hotels Private Limited.
- Escrow of all cash flows of Begonia Hotels Private Limited including security deposits.
- Corporate guarantee of Lemon Tree Hotels Limited and Begonia Hotels Private Limited

8) Aditya Birla Finance Limited has taken over existing term loan from YES Bank Limited during the year. Tenor of 12 years with repayment in 48 structured quarterly installment. Repayment of term loan 1 in line with existing lender repayment schedule. The facility have lock-in tenor of 1 year from the date of first disbursement (current rate 9.30%). The loan is secured by :

- First exclusive charge by way of Mortgage/ Hypothecation on the immovable and movable fixed assets (both present and future) of Lemon Tree Premier Hotel Hitec City, Hyderabad, to provide minimum cover of 1.25x at all times during the tenor of the loan
- First exclusive charge on the current assets of the Lemon Tree Premier Hotel, Hitec City Hyderabad
- First exclusive charge on project's bank account including but not limited to Escrow account where entire cash flow of Lemon Tree Premier Hotel, Hitec City, Hyderabad shall be deposited
- Unconditional and Irrevocable Corporate Guarantee of Lemon Tree Hotels Limited
- Demand Promissory Note (DPN)

9) Axis Bank Term Loan having tenor of 18 years and 9 months including construction period of 1.5 years and moratorium period of 2.5 years with repayments in with 60 quarterly unequal installments post completion of moratorium period (current rate : 9.19%). It is secured by:

- Exclusive charge by way of Equitable mortgage over the land & building at Plot No.1, Khasra No. 979 to 981, Kalarohi, Udaipur, (admeasuring 26390.3 sq. yards or 237513 sq. ft.)
- Exclusive charge over the moveable fixed assets of the Udaipur Hotel, both present and future
- Exclusive charge by way of hypothecation of all the current assets of Udaipur Hotel
- Exclusive charge by way of hypothecation of all the cashflows of Udaipur Hotel.
- Corporate Guarantee of Lemon Tree Hotels Limited.

FACTOR of 1.50x shall be maintained at all times. Any additional collateral security other than those mentioned herein above offered by the borrower to other lenders (in case of pari-passu charge) shall also be available to bank.

10) Yes Bank Loan (Transferred on Merger of Meringue Hotels Private Limited) is repayable 60 structured quarterly installment after a moratorium period of 60 months from the date of first disbursement ( current rate 9.50%). It is secured by:

- Equitable mortgage over 80% share of Land and building (except 2nd basement, ground floor and first floor) on pari passu basis with other lenders for the project, Lemon Tree Premier Hotel, Andheri Mumbai.
- First charge (on pari passu basis) on their movable fixed assets and all current assets, both present and future of the project, Lemon Tree Premier Hotel, Andheri Mumbai.
- Corporate guarantee of Lemon Tree Hotels Limited.

11) Axis Bank term loan (Transferred on Merger of Meringue Hotels Private Limited) is repayable in 60 quarterly instalments after a moratorium period of 5 years. (Current rate : 9.80%). It is secured by

- Equitable mortgage over 80% share of Land and building (except 2nd basement, ground floor and first floor) on pari passu basis with other lenders for the project, Lemon Tree Premier Hotel, Andheri Mumbai.
- First charge (on pari passu basis) on their movable fixed assets and all current assets, both present and future of the project, Lemon Tree Premier Hotel, Andheri Mumbai.
- Corporate guarantee of Lemon Tree Hotels Limited.

*(This space has been intentionally left blank)*



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

16. Lease liabilities

Rs in lakhs	
Particular	Amount
Balance as at April 01, 2019	13,613.14
Additions during the year	4,296.52
Deletion during the year	-
Interest accrued during the year	1,671.38
Payment of lease liabilities	1,328.27
Balance as at March 31, 2020	18,252.77
Current	-
Non-Current	18,252.77

17. Provisions

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Provision for gratuity	25.17	14.54
	25.17	14.54
Current	6.11	0.97
Non-current	19.06	13.57
	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Provision for leave benefits	50.90	32.20
Current	50.90	29.66
Non-current	-	2.54
Total current	57.02	30.63
Total non-current	19.06	16.12



(This space has been intentionally left blank)



**Fleur Hotels Private Limited**

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

**18. Deferred tax liabilities (net)**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Property, plant and equipment and intangible assets	3,745.89	2,542.16
Revaluation of land	400.67	417.04
Capital work in progress	-	0.85
<b>Deferred tax liabilities</b>	<b>4,146.56</b>	<b>2,960.05</b>
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	43.22	25.12
Right to use asset/lease liability	613.78	-
Provision for doubtful debts and advances	28.72	2.92
MAT credit entitlement	972.33	957.77
Effect of unabsorbed depreciation and business losses carried forward*	2,508.38	1,687.47
Gratuity	7.00	4.04
Non moving inventory	0.96	1.15
Leave compensation	14.16	9.88
Security deposits	19.22	11.49
<b>Deferred tax assets</b>	<b>4,207.76</b>	<b>2,699.84</b>
<b>Deferred tax Assets/Liabilities (net)</b>	<b>61.20</b>	<b>260.21</b>

\* Deferred tax asset for the current year has been restricted on losses and credits has been recognized to the extent of Deferred tax liability.

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

	March 31, 2020	March 31, 2019
Loss before tax	(3,487.63)	(308.98)
Tax rate	27.82%	33.38%
Tax at statutory income tax rate	(970.26)	(103.15)
Effect of incomes taxable at nil/lower rate	4.09	(0.28)
Effect of non-deductible expenses	0.14	(5.33)
Tax Effect of expenses/ income not allowed/ required to tax under Income tax charge/ (credit) in respect of earlier year	5.57	-
Impact of change in tax rate	-	8.30
Other adjustments	17.18	11.27
Unrecognized tax assets (net)	948.85	-
<b>Net</b>	<b>5.57</b>	<b>(89.19)</b>



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

**19. Financial liabilities**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
<b>(i) Short term borrowings</b>		
Loan from Related Party	3,338.00	4,620.00
Cash credit from banks (Secured) *	1,487.17	-
	<u>4,825.17</u>	<u>4,620.00</u>

\*The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 9.50% to 10.55% p.a. and is secured by way of:

- Exclusive charge on all movable assets and current assets of Lemon Tree Hotel Kolkata and Lemon Tree Premier Pune and
- First charge on all present & future immovable fixed assets(80% portion of undivided part of land) of the Lemon Tree Premier Andheri kurla Road, Mumbai
- First charge on all present & future movable fixed assets and current assets of the Lemon Tree Premier Andheri kurla Road, Mumbai
- Corporate Guarantee of Lemon Tree Hotels Limited

<b>(ii) Trade Payables</b>	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
-Micro and small enterprises	80.45	74.86
-Other than Micro and small enterprises	4,723.35	2,582.04
<b>Total</b>	<u>4,803.80</u>	<u>2,656.90</u>

<b>(iii) Other financial liabilities</b>	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Current maturities of long-term borrowings*	609.50	521.34
Interest accrued but not due on borrowings**	610.46	30.94
Security Deposits	43.31	305.86
Bank overdraft	732.32	1,064.21
Payable for capital goods	4,444.47	4,636.79
Outstanding dues of other creditors	-	3,421.76
<b>Total</b>	<u>6,440.06</u>	<u>9,980.91</u>

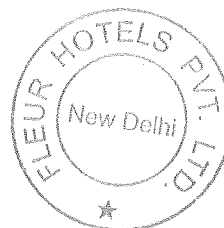
\*Denotes current maturity for period September 1, 2020 to March 31, 2021 as Company has taken moratorium with reference to RBI Circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 , Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 for the period March 1, 2020 to August 31, 2020

\*\* includes interest on secured loan of Rs. 566.90 lakhs as company has taken Moratorium with reference to RBI circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 , Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 for the period March 1, 2020 to August 31, 2020.

**20. Other current liabilities**

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Advance from customers	281.24	230.78
Statutory dues	288.97	246.86
<b>Total</b>	<u>570.21</u>	<u>477.64</u>

(This space has been intentionally left blank)



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

**21. Revenue From operations**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
<b>Revenue from operations</b>		
Sale of products and services		
- Room rental	15,460.40	7,841.87
- Food and beverage (excluding liquor and wine)	3,533.16	2,262.97
- Liquor and wine	523.16	389.37
- Banquet rentals	172.03	114.11
- Telephone and telex	0.65	0.45
- Other Services (including service charge income)	1,338.31	837.56
<b>Other Operating Revenue</b>		
- Commission income	0.95	1.16
<b>Revenue from operations</b>	<b>21,028.66</b>	<b>11,447.49</b>

**22. Other income**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
Rent received	12.97	6.10
Sale of SEIS license	59.53	-
Miscellaneous income	41.30	25.28
<b>Total</b>	<b>113.80</b>	<b>31.38</b>

**23. Cost of food & beverages consumed**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
(a) Consumption of food & beverages excluding liquor & wine		
Inventory at the beginning of the year	38.34	53.26
Add: Purchases	1,904.49	1,167.75
	1,942.83	1,221.01
Less: Inventory at the end of the year	71.35	38.34
Cost of food and beverage consumed	1,871.48	1,182.67
(b) Consumption of liquor & wine		
Inventory at the beginning of the year	30.55	15.88
Add: Purchases	202.10	136.46
	232.65	152.34
Less: Inventory at the end of the year	48.43	30.55
Cost of liquor and wine consumed	184.22	121.79
<b>Total</b>	<b>2,055.70</b>	<b>1,304.46</b>

**24. Employee benefits expense**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
Salaries, wages and bonus	3,744.80	1,988.52
Contribution to provident fund and other funds	249.28	86.30
Gratuity expense	7.17	5.60
Leave compensation expenses	22.47	12.73
Staff welfare expenses	282.82	233.40
<b>Total</b>	<b>4,306.54</b>	<b>2,326.55</b>

(This space has been intentionally left blank)

6



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

**25. Other expenses**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	212.65	130.14
Power and fuel	1,966.28	1,223.78
Linen & uniform washing and laundry expenses	279.65	161.28
Guest transportation	282.11	268.46
Spa expenses	70.74	30.96
Subscription charges	52.80	20.47
Repair and maintenance		-
- Buildings	82.16	46.09
- Plant and machinery	242.72	194.52
- Others	211.43	172.25
Rent (refer note 33)	209.77	1,012.79
Rates and taxes	525.99	182.84
Insurance	53.16	20.07
Communication costs	133.03	100.69
Printing and stationery	90.61	52.26
Traveling and conveyance	36.26	8.57
Vehicle running and maintenance	41.47	54.61
Advertisement and business promotion	680.05	370.36
Management fee paid	1,057.33	564.69
Commission -other than sole selling agent	750.44	477.68
Security and cleaning expenses	398.11	238.48
Membership and subscriptions	9.91	1.51
Legal and professional fees	151.76	57.79
Donations	0.46	8.63
Provision for doubtful debts and advances	94.48	-
Loss on sale of Property, Plant & Equipment	1.44	-
Payment to auditors*	25.00	25.00
Miscellaneous expenses	63.15	30.83
<b>Total</b>	<b>7,722.96</b>	<b>5,454.75</b>
<b>*Payment to auditor</b>		
For statutory audit	16.00	16.00
For tax audit	1.00	1.00
Other services	8.00	8.00
	<b>25.00</b>	<b>25.00</b>

**Details of CSR expenditure:**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
(a) Gross amount required to be spent by the company during the year	-	5.82
(b) Amount spent during the year ending on March 31, 2020:		
i) Construction/acquisition of any asset	Yet to be paid in cash	Total
ii) On purposes other than (i) above	-	-
(c) Amount spent during the year ending on March 31, 2019:		
i) Construction/acquisition of any asset	Yet to be paid in cash*	Total
ii) On purposes other than (i) above	-	5.82

(This space has been intentionally left blank)

12



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

**26. Finance costs**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
Interest		
- on term loans from banks	4,686.62	1,258.25
- on loans from others	321.74	34.37
- on vehicle loans	11.03	5.20
- on income tax	0.05	0.04
- on lease liability ( refer note 33)	1,671.38	-
Bank charges (including commission on credit card collection)	138.03	90.32
<b>Total</b>	<b>6,828.86</b>	<b>1,388.18</b>

**27. Finance income**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
Interest Income on :		
-Bank Deposits	8.96	7.86
-Others	12.87	37.00
Profit on sale of current investment	157.68	-
<b>Total</b>	<b>179.51</b>	<b>44.86</b>

**28. Depreciation and amortization expense**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
Depreciation on tangible assets	3,138.49	1,401.02
Depreciation on Right to use asset ( refer note 33)	707.74	-
Amortization on intangible assets	40.86	18.46
<b>Total</b>	<b>3,887.09</b>	<b>1,419.48</b>

**29. Tax expense**

	Year ended March 31, 2020 Rs. in lakhs	Year ended March 31, 2019 Rs. in lakhs
Adjustment of tax relating to earlier periods	5.57	-
Deferred tax	-	(89.19)
<b>Total</b>	<b>5.57</b>	<b>(89.19)</b>

**30. Earnings Per Share (Basic And Diluted)**

Basic EPS amounts are calculated by dividing the loss 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 loss attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) 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

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2020	March 31, 2019
Loss attributable to equity holders (for basic and diluted)	(3,484.75)	(280.49)
Weighted average number of equity Shares (for basic and diluted earnings per share)*	62,382,835	59,286,253
Basic and Diluted earnings per share	(5.59)	(0.47)

\* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

(This space has been intentionally left blank)

②



**31. 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, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The estimates and underlying assumptions are reviewed on an ongoing basis and the revisions to accounting estimates are recognized in the period in which the estimate is revised.

**Estimation of Uncertainties related to global health pandemic on COVID-19**

COVID-19 pandemic has impacted and continues to impact major economic and financial markets around the world. Regular business operations in many countries, have been severely disrupted due to lockdown, travel bans, quarantines and other emergency measures. With respect to operations of the Company it has impacted its business by way of reduction in occupancy of hotels and average realization rate per room starting from the month of March 2020 and management has undertaken/is undertaking various cost savings initiatives to conserve cash. In May 2020, 70% of the Company's hotels have been operational at 45% occupancy rate mainly due to accommodation taken by foreign nationals staying in India, IT companies and hospitals and for their staff. The Company has short-medium term contracts for these type of arrangements ranging from 2 to 3 months. Management believes that the easing of lockdown in India including flight operations and expected increase in business travel would be beneficial for the Company.

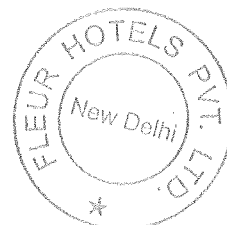
In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, Plant and Equipment (PPE), trade receivables and investments in subsidiaries (investments) as at the balance sheet date. In this regard, the Management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing estimates on the basis of all available information in its assessment of impact thereof on its financial reporting.

While assessing the recoverable amount of PPE and investments, the Company has used significant assumptions such as hotel occupancy rates, average room rate per hotel, terminal growth rate and weighted average cost of capital. The Company appointed independent valuer to assess fair values of significant hotel properties owned independently, which covered approximately 78% of value of PPE of the Company. Specifically for investments, the Management has considered (i) the industry in which the investee entity operates (ii) The geographic location of the investee entity (iii) The size of the investee entity (iv) the quantitative significance of the investee entity (v) liquidity risk premiums (vi) appropriateness of valuation techniques and inputs used including current market assessment of credit risk and liquidity risk and (vii) other factors specific to the investee entity. For assessing the recoverable amount of trade receivables, the Company has calculated the expected credit loss from the trade receivables considering amount to be realized from them in future after factoring the impact on credit risk due to COVID-19.

Based on aforesaid assessment, management believes 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 aforesaid assets as on March 31, 2020.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

②





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

---

***Critical judgements, estimates and assumptions*****1. 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.

**2. Impairment of Investment in subsidiaries and associates**

The Company assesses the carrying amounts of investment in subsidiaries and associates to determine whether there is any indication that those investments have suffered an impairment loss. Where the carrying amount of investments exceed its recoverable amount, the investment 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 assumptions such as 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 investments 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 investments.

**3. Leases**

The Company has taken certain land and land & building on long term lease basis. The lease agreements generally have an escalation clause and are generally non-cancellable. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND



**Fleur Hotels Private Limited**

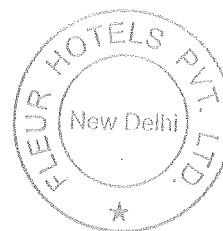
**Notes to financial statements for the year ended March 31, 2020**

---

AS 116. Identification of a lease requires judgment. The Company uses judgement in assessing the lease term and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate.

**4. 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.



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

---

**32. Gratuity**

The Company has a defined benefit gratuity plan (funded). 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 fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. 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.

*Rs. in lakhs*

	March 31, 2020	March 31, 2019
Gratuity plan	25.17	10.61
<b>Total</b>	<b>25.17</b>	<b>10.61</b>



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

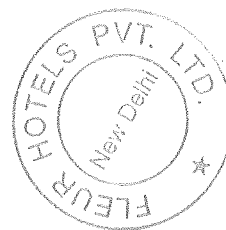
Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

Rs. in lakhs																									
Opening Balance				cost charged to profit or loss								Remeasurement gains/(losses) in other comprehensive income													
April 1, 2019				Service cost		Net interest expense		Sub-total included in profit or loss		Benefits paid		Return on plan assets (excluding amounts included in net interest expense)		Remeasurement gain arising from changes in demographic assumptions		Remeasurement gain arising from changes in financial assumptions		Experience adjustments		Sub-total included in OCI		Contributions by employer		March 31, 2020	
27.27				8.51		1.91		10.42		(4.62)		-		-		1.27		6.72		7.99		-		41.06	
16.66				-		1.16		1.16		(1.67)		(0.46)		-		-		-		(0.46)		0.20		15.89	
10.61				8.51		0.75		9.26		(2.95)		0.46		-		1.27		6.72		8.45		(0.20)		25.17	

Defined benefit obligation

Fair value of plan assets

Benefit liability



*(Signature)*

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

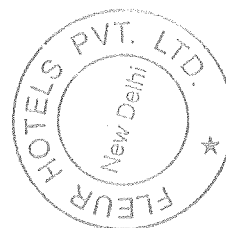
Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019:

Opening Balance				cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income				<i>Rs. in lakhs</i>
April 1, 2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasureme nt arising from changes in demographic assumptions	Remeasureme nt arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2019	
22.67	5.28	1.66	6.94	-	-	-	0.27	(2.61)	(2.34)	-	27.27	
13.12	-	0.96	0.96	-	0.55	-	-	-	0.55	2.03	16.66	
9.55	5.28	0.70	5.98	-	(0.55)	-	0.27	(2.61)	(2.89)	(2.03)	10.61	

Defined  
benefit  
obligation

Fair value of  
plan assets

Benefit  
liability



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

*The major categories of plan assets of the fair value of the total plan assets are as follows:*

	March 31, 2020	March 31, 2019
<b>Unquoted investments:</b>		
Asset invested in insurance scheme with the LIC	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

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

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

**India gratuity plan:**

	Rs in lakhs			
	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
<b>Sensitivity Level</b>	1% increase	1% decrease	1% increase	1% decrease
<b>Impact on defined benefit obligation</b>	1.40	(1.50)	1.51	(1.43)



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

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

	<i>Rs. in lakhs</i>			
	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	0.88	(0.94)	0.95	(0.90)

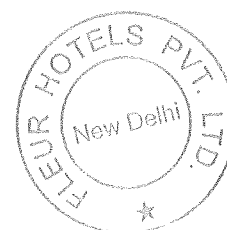
The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

	<i>Rs. in lakhs</i>	
Duration (Years)	For the year ended March 31, 2020	For the year ended March 31, 2019
1	8.79	6.43
2	7.34	5.27
3	6.75	4.52
4	6.14	4.04
5	5.33	3.65
Above 5	18.04	11.70
<b>Total expected payments</b>	<b>52.39</b>	<b>35.61</b>

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

②



**Fleur Hotels Private Limited**

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

---

**33. Commitments and contingencies**

**a. Leases**

**Operating lease commitments — Company as lessee**

The Company has entered into operating leases on hotel buildings, with lease terms between twenty three, twenty five, twenty eight and twenty nine years.

**Transition to Ind AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard has been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application. Comparatives as at March 31, 2019 and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included in the audited financial statements for the year ended March 31, 2019.

**Company as a lessee:**

For transition, the Company has assessed whether the contract is, or contains, the lease. The Company has elected not to apply the requirements of IND AS 116 to leases for which the underlying asset is of low value on a lease-by-lease basis and the leases with less than 12 months of lease term on the date of initial application. The Company has used a single discount rate to a portfolio of leases with similar characteristics. The Company has applied its incremental borrowing rate for lease liabilities recognised in the balance sheet at the date of initial application.

The weighted average of incremental borrowing rate applied to lease liabilities, as at April 1, 2019 is 9.72%.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments as at April 1, 2019. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of Rs. 12,457.72 lakhs and a corresponding lease liability of Rs. 13,613.14 lakhs has been recognized. The cumulative effect on transition in retained earnings net of taxes is Rs. 833.98 lakhs (including a deferred tax of Rs. 321.44 lakhs). On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.





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

The impact of Ind AS 116 as at 1st April 2019 on the balance sheet line items is as follows:

Particulars	As at April 1, 2019 (Before Ind AS 116)	Ind AS 116 Adjustments	Rs in lakhs
			As at April 1, 2019(post IndAS 116)
<b>Assets</b>			
<b>Non-current assets</b>			
Right of use assets	-	12,457.72	<b>12,457.72</b>
Deferred tax assets (net)	-	321.44	<b>321.44</b>
<b>Total Assets</b>	-	12,779.16	<b>12,779.16</b>
<b>Equity and Liabilities</b>			
Other Equity	-	(833.98)	<b>(833.98)</b>
<b>Non-Current</b>			
Financial liabilities			
Lease Liabilities	-	13,613.14	<b>13,613.14</b>
<b>Current</b>			
Financial liabilities			
Lease Liabilities	-		
<b>Total Equity and Liabilities</b>	-	12,779.16	<b>12,779.16</b>

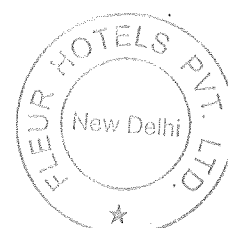
**b. Commitments**

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

At March 31, 2020, the Company had commitments of Rs. 100.20 lakhs (March 31, 2019: Rs 5,388.15 lakhs)

**c. Contingent liabilities****(i) Legal claim contingency**

		Rs. in lakhs	
		March 31, 2020	March 31, 2019
a.	Service Tax	92.38	92.38



## **Fleur Hotels Private Limited**

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

The Company's pending litigations above pertains to proceedings pending with Service Tax and Sales/VAT tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

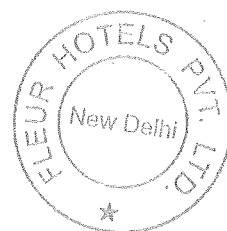
- (b) During the Financial Year, Meringue Hotels Private Limited (now merged with Fleur Hotels Private Limited) has amicably settled pending matter pertaining to show cause notice received under Employee State Insurance, Act, 1948 ("ESIC Act") for recovery of Rs. 21.60 lakhs vide notice dated October 2015 and agreed to make outstanding dues of Rs.11.97 lakhs to ESIC. The Employees Insurance Court, Mumbai, vide order dated February 13, 2020, disposed of the matter as settled between the parties.

#### **(ii) Pledge of shares**

- (a) Pledge of 51% of the shareholding held in Hyacinth Hotels Private Limited by the Company for term loan facility availed by Hyacinth Hotels Private Limited. Amount of Loan outstanding as on March 31, 2020 of Rs. 12,323.25 lakhs
- (b) Pledge of 30% of shareholding held in Berggruen Hotels Private Limited by the Company for term loan availed by Berggruen Hotels Private Limited from Yes Bank Limited and pledge of 15,45,000 shares held in Berggruen Hotels Private Limited by the Company for term loan availed by Berggruen Hotels Private Limited from Tourism Finance Corporation of India Ltd. Amount of Loan outstanding as on March 31, 2020 is Rs. 10,288.29 lakhs

#### **(d) Financial guarantees**

The Company has issued financial guarantees to banks on behalf of and in respect of term loan facilities availed by its group companies for construction of new hotel project. In accordance with the policy of the Company (refer note 2.2(n)) the Company has designated such guarantees as 'Insurance Contracts'. The Company has classified financial guarantees as contingent liabilities. These financial guarantees are an integral element of debts held by entities, hence has not been accounted for separately. Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts. Refer below for details of the financial guarantees issued:



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

		Loan Outstanding as on March 31, 2020	Guarantees as on March 31, 2020	Loan Outstanding as on March 31, 2019	Guarantees as on March 31, 2019
a.	Counter guarantees issued in respect of guarantees issued by company's bankers	-	1,021.19	-	670.39
b.	Guarantee given on behalf of Hyacinth Hotels Private Limited	12,323.25	16,105.00	13,027.35	16,105.00
c.	Guarantee given on behalf of Celsia Hotels Private Limited	3,992.83	5,972.00	4,613.39	5,972.00
d.	Guarantee given on behalf of Inovia Hotels & Resorts Limited	3,276.00	3,481.00	3,451.00	3,500.00
e.	Guarantee given on behalf of Berggruen Hotels Private Limited	10,388.29	18,600.00	-	-

**(e) Note on Provident Fund:**

Based upon the legal opinion obtained by the management, company is not required to create provisions in books of accounts in view of the judgement of the Hon'ble Supreme court in the case of Vivekananda Vidyamandir vs Regional Provident Fund Commissioner (II), West Bengal and subsequent dismissal of review petition by Hon'ble Supreme court in the case of review petition No. 001972-001973/2019 in civil appeal 3965-3966 in the matter of Surya Roshni Ltd Vs Employees Provident Fund and Another.

Considering the equitable cause, the High Courts may give prospective effect to the judgement which can be done in exercise of inherent powers of High Court under Article 226 of the constitution of India.

In case of Company retrospective effect is remote and at present uniformity is maintained across all brands/grades.



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

---

**34. Related Party Transactions**

---

**Names of related parties**

Holding company - Lemon Tree Hotels Limited

Subsidiary company

- Celsia Hotels Private Limited
- Inova Hotels & Resorts Limited
- Iora Hotels Private Limited
- Ophrys Hotels Private Limited
- Hyacinth Hotels Private Limited
- Bandhav Resorts Private Limited
- Berggruen Hotels Private Limited (w.e.f November 1, 2019)

Fellow subsidiary companies

- Begonia Hotels Private Limited
- Nightingale Hotels Private Limited
- Meringue Hotels Private Limited (merged with Fleur Hotels Private Limited with appointed date April 1, 2019)
- Manakin Resorts Private Limited
- Canary Hotels Private Limited

Limited Liability Partnership - Mezereon Hotels LLP

Key Management Personnel

- Mr. Patanjali Govind Keswani (Chairman & Managing Director)
- Mr. Rattan Keswani (Director)
- Mr. Gopal Sitaram Jiwarajka (Independent Director) (upto April 1, 2019)
- Mr. Dominic James Doran (Director)
- Mr. Anish Kumar Saraf (Director)
- Mr. Brian Lap Hei Hung (Director) (upto August 9, 2019)
- Mr. Paramartha Saikia (Independent Director)
- Mr. Ashish Kumar Guha (Independent Director) (w.e.f August 13, 2018)
- Mr. Arindam Kumar Bhattacharya (Independent Director) (w.e.f April 11, 2019)
- Mr. Pradeep Mathur (Independent Director) (w.e.f. August 7, 2019)

Enterprises owned or significantly influenced by key management personnel or their relatives - Toucan Real Estates Private Limited

Enterprise in which Holding company has - Mind Leaders Learning India Private Limited





**Fleur Hotels Private Limited**

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

---

Significant Influence

-Hamstede Living Private Limited

Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer

: Mr. Inder Pal Batra

Company Secretary

: Ms. Pooja Arora ( resigned w.e.f. May 25,2020)

: Ms. Sonali Manchanda ( from May 29,2020)



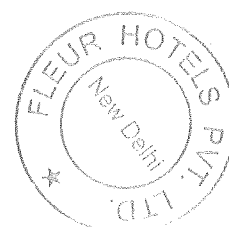
**Fleur Hotels Private Limited**
**Notes to financial statements for the year ended March 31, 2020**

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

*Rs in lakhs*

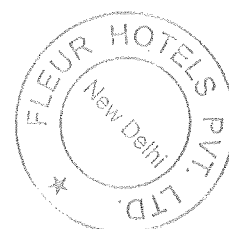
Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
<b>Reimbursement of expenses paid on behalf of party</b>							
Iora Hotels Private Limited	31-Mar-20	-	16.62	-	-	-	-
	31-Mar-19	-	0.09	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-20	-	0.44	-	-	-	-
	31-Mar-19	-	0.09	-	-	-	-
Inovoa Hotels & Resorts Limited	31-Mar-20	-	21.93	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Celsia Hotels Private Limited	31-Mar-20	-	0.24	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Berggruen Hotels Private Limited	31-Mar-20	-	0.11	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Reimbursement of expenses incurred on company's behalf</b>							
Lemon Tree Hotels Limited	31-Mar-20	10.65	-	-	-	-	-
	31-Mar-19	4.35	-	-	-	-	-

12



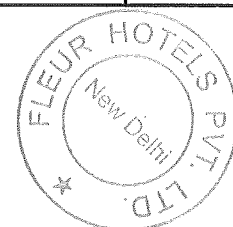
**Fleur Hotels Private Limited**
**Notes to financial statements for the year ended March 31, 2020**

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
<b>Amount received by the party on company behalf</b>							
Nightingale Hotels Private Limited	31-Mar-20	-	-	13.02	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Loans (given)</b>							
Celsia Hotels Private Limited	31-Mar-20	-	35.00	-	-	-	-
	31-Mar-19	-	49.65	-	-	-	-
Hyacinth Hotels Private Limited	31-Mar-20	-	174.00	-	-	-	-
	31-Mar-19	-	335.00	-	-	-	-
Iora Hotels Private Limited	31-Mar-20	-	2,443.00	-	-	-	-
	31-Mar-19	-	1,198.32	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	130.00	-	-	-	-
Berggruen Hotels Private Limited	31-Mar-20	-	57.00	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Repayment of Loan Given</b>							
Celsia Hotels Private Limited	31-Mar-20	-	35.00	-	-	-	-
	31-Mar-19	-	120.00	-	-	-	-
Hyacinth Hotels Private Limited	31-Mar-20	-	716.00	-	-	-	-
	31-Mar-19	-	230.00	-	-	-	-



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

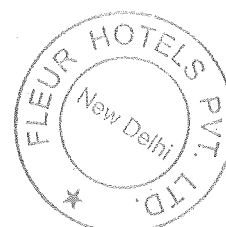
Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Iora Hotels Private Limited	31-Mar-20	-	750.16	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-20	-	25.00	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Loans (taken)</b>							
Lemon Tree Hotels Limited	31-Mar-20	707.00	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Meringue Hotels Private Limited(merged with Fleur Hotels Private Limited)	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	-	2,460.00	-	-	-
Manakin Resorts Private Limited	31-Mar-20	-	-	100.00	-	-	-
	31-Mar-19	-	-	450	-	-	-
<b>Repayment of Loan taken</b>							-
Meringue Hotels Private Limited(merged with Fleur Hotels Private Limited)	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	-	2,250.00	-	-	-
Lemon Tree Hotels Limited	31-Mar-20	1,879.00	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Management Fees paid (Net of TDS)</b>							
Lemon Tree Hotels Limited	31-Mar-20	3,133.11	-	-	-	-	-
	31-Mar-19	2,476.52	-	-	-	-	-





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

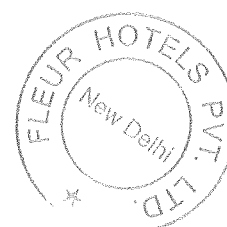
Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
<b>Training expenses paid (net of TDS)</b>							
Mind Leaders Learning India Private Limited	31-Mar-20	-	-	-	-	-	58.13
	31-Mar-19	-	-	-	-	-	66.15
<b>Remuneration Paid</b>							
Inder Pal Batra	31-Mar-20				45.36		
	31-Mar-19	-	-	-	54.41	-	-
Pooja Arora	31-Mar-20				11.21		
	31-Mar-19	-	-	-	11.73	-	-
<b>Subscription in Share Capital of the Company</b>							
Lemon Tree Hotels Limited	31-Mar-20	6,088.03	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Subscription to Share Capital</b>							
Berggruen Hotels Private Limited	31-Mar-20	-	49,504.16	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Purchase of Property, Plant &amp; Equipment(including GST)</b>							
Hyacinth Hotels Private Limited	31-Mar-20	-	2.86	-	-	-	-
	31-Mar-19	-	-	-	-	-	-



**Fleur Hotels Private Limited**

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

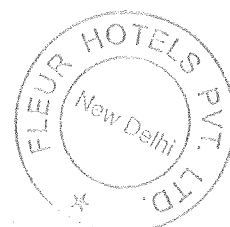
Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
<b>Purchase of Goods &amp; Services</b>							
Lemon Tree Hotels Limited	31-Mar-20	2.54	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Sale of Services</b>							
Hamstede Living Private Limited	31-Mar-20	-	-	-	-	-	2.52
	31-Mar-19	-	-	-	-	-	-
<b>Director Sitting Fees</b>							
Ashish Kumar Guha	31-Mar-20	-	-	-	2.1	-	-
	31-Mar-19	-	-	-	-	-	-
Paramartha Saikia	31-Mar-20	-	-	-	2.1	-	-
	31-Mar-19	-	-	-	-	-	-
Pradeep Mathur	31-Mar-20	-	-	-	1.2	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Advance given to the party</b>							
Toucan Real Estates Private Limited	31-Mar-20	-	-	-	-	8.33	-
	31-Mar-19	-	-	-	-	142.64	-
<b>Guarantees Given for loan taken by</b>							
Hyacinth Hotels Private Limited	31-Mar-20	-	16,105.00	-	-	-	-



**Fleur Hotels Private Limited**

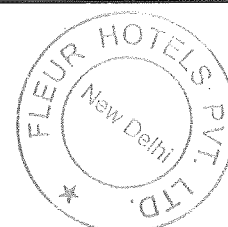
**Notes to financial statements for the year ended March 31, 2020**

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
	31-Mar-19	-	16,105.00	-	-	-	-
Celsia Hotels Private Limited	31-Mar-20	-	5,972.00	-	-	-	-
	31-Mar-19	-	5,972.00	-	-	-	-
Inovoa Hotels & Resorts Limited	31-Mar-20	-	3,481.00	-	-	-	-
	31-Mar-19	-	3,500.00	-	-	-	-
Berggruen Hotels Private Limited	31-Mar-20	-	18,600.00	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Guarantee Taken for Loan received</b>							
Lemon Tree Hotels Limited	31-Mar-20	80,000.00	-	-	-	-	-
	31-Mar-19	49,500.00	-	-	-	-	-
Begonia Hotels Private Limited	31-Mar-20	-	-	5,000.00	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Amount Received on behalf of the Company</b>							
Celsia Hotels Private Limited	31-Mar-20	-	0.28	-	-	-	-
	31-Mar-19	-	1.79	-	-	-	-
Inovoa Hotels & Resorts Limited	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	0.12	-	-	-	-
Nightingale Hotels Private Limited	31-Mar-20	-	-	-	-	-	-



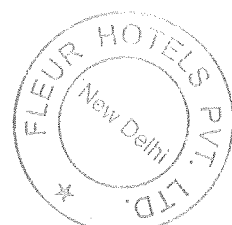
**Fleur Hotels Private Limited**
**Notes to financial statements for the year ended March 31, 2020**

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
	31-Mar-19	-	-	0.76	-	-	-
Hyacinth Hotels Private Limited	31-Mar-20	-	4.51	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Begonia Hotels Private Limited	31-Mar-20	-	-	0.24	-	-	-
	31-Mar-19	-	-	-	-	-	-
Manakin Resorts Private Limited	31-Mar-20	-	-	0.05	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Interest Paid(Gross)</b>							
Meringue Hotels Private Limited	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	-	30.98	-	-	-
Manakin Resorts Private Limited	31-Mar-20	-	-	45.12	-	-	-
	31-Mar-19	-	-	3.40	-	-	-
<b>Amount paid on behalf of the party</b>							
Lemon Tree Hotels Limited	31-Mar-20	94.08	-	-	-	-	-
	31-Mar-19	3.94	-	-	-	-	-
Hyacinth Hotels Private Limited	31-Mar-20	-	3.94	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Nightingale Hotels Private Limited	31-Mar-20	-	-	13.02	-	-	-
	31-Mar-19	-	-	-	-	-	-



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

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Canary Hotels Private Limited	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	-	0.14	-	-	-
<b>Balances outstanding at the year end- Loans given</b>							
Hyacinth Hotels Private Limited	31-Mar-20	-	229.98	-	-	-	-
	31-Mar-19	-	771.98	-	-	-	-
Iora Hotels Private Limited	31-Mar-20	-	4,951.62	-	-	-	-
	31-Mar-19	-	3,242.16	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-20	-	504.87	-	-	-	-
	31-Mar-19	-	529.43	-	-	-	-
Berggruen Hotels Private Limited	31-Mar-20	-	57.00	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
<b>Balances outstanding at the year end- Loans taken</b>							
Meringue Hotels Private Limited(merged with Fleur Hotels Private Limited)	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	-	210.00	-	-	-
Manakin Resorts Private Limited	31-Mar-20	-	-	550.00	-	-	-
	31-Mar-19	-	-	450.00	-	-	-
Lemon Tree Hotels Limited	31-Mar-20	2,788.00	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-

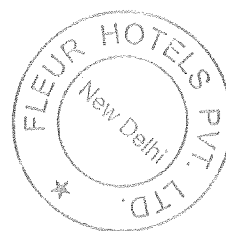


**Fleur Hotels Private Limited**

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

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
<b>Balances outstanding at the year end- (Credit)/ Debit</b>							
Lemon Tree Hotels Limited	31-Mar-20	(4,507.92)					
	31-Mar-19	(2,476.52)	-	-	-	-	-
Inder Pal Batra	31-Mar-20				(0.07)		
	31-Mar-19	-	-	-	(0.79)	-	-
Mind Leaders Learning India Private Limited	31-Mar-20	-	-	-	-	-	(1.39)
	31-Mar-19	-	-	-	-	-	2.36
Hamstede Living Private Limited	31-Mar-20	-	-	-	-	-	0.03
	31-Mar-19	-	-	-	-	-	-
Hyacinth Hotels Private Limited	31-Mar-20	-	(2.86)	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Berggruen Hotels Private Limited	31-Mar-20	-	0.11	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Toucan Real Estates Private Limited	31-Mar-20					342.97	-
	31-Mar-19	-	-	-	-	334.64	-

6



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

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

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year 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.

**35. Fair value measurement**

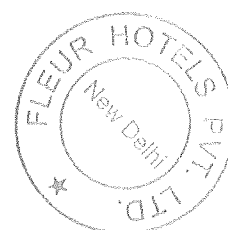
This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses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

**a. Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)**

*Rs. in lakhs*

	March 31, 2020		March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Trade Receivables	-	1,526.54	-	1,118.12
Security Deposits (non-current)	-	560.31	-	360.33
Other bank balances	-	85.62	-	72.82
Cash and Cash Equivalents	-	1,318.90	-	474.06
Interest accrued on deposit with banks	-	50.96	-	39.06
Loans (current)		5,726.84		4,543.47
<b>Total Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)</b>		9,269.17		6,607.86

Note: The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101 and Ind AS 27.



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

**b. Financial Liabilities**

*Rs. in lakhs*

	March 31, 2020		March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Borrowings	-	81,586.48	-	38,930.63
Trade Payables	-	4,803.80	-	2,656.97
Lease Liabilities (Non current)	-	18,252.77	-	-
Other Current Financial Liabilities	-	5,830.56	-	5,348.68
<b>Total Financial Liabilities</b>	-	110,473.61	-	46,936.28

**c. 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**

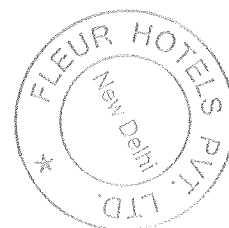
Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**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.





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

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*

	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL	-	-	-	-

	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL	-	-	-	-

**36 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 of interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.



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

*Rs. In lakhs*

	March 31, 2020	March 31, 2019
Variable rate borrowings	81,415.54	38,848.73
Fixed rate borrowings	170.93	81.90

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

*Rs. In lakhs*

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2020		
INR	50	346.96
INR	-50	(346.96)
March 31, 2019		
INR	50	157.15
INR	-50	(157.15)

**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 deposits to landlords) and from its financing activities, including deposits with banks and other financial instruments.

**(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 11. The Company does not hold collateral as security.



**Fleur Hotels Private Limited**

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

*Rs. in lakhs*

Ageing	March 31, 2020	March 31, 2019
Not due	-	-
0-60 days past due	1,193.66	562.12
61-120 days past due	199.42	299.86
121-180 days past due	40.97	76.10
180-365 days past due	28.81	77.48
365-730 days past due	63.69	102.56
more than 730 days	-	-

**Provision for doubtful debts (including provision for expected credit loss)**

Ageing	March 31, 2020	March 31, 2019
Not due	-	-
0-60 days past due	-	-
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	9.90	-
365-730 days past due	63.69	-
more than 730 days	20.90	-

**Reconciliation of provision for doubtful debts - Trade receivables(including provision for expected credit loss)**

	March 31, 2020	March 31, 2019
Provision at beginning	-	-
Addition during the year	94.48	-
Reversal during the year	-	-
Utilised during the year	-	-
Provision at closing	94.48	-

**Reconciliation of provision for doubtful debts - Loans and deposits(including provision for expected credit loss)**

	March 31, 2020	March 31, 2019
Provision at beginning	8.75	8.75
Addition during the year	-	-
Reversal during the year	-	-
Utilised during the year	-	-
Provision at closing	8.75	8.75

*B*



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

**(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 given in Note 11.

**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. As at March 31, 2020, the company had available Rs. 1,700 lakhs (March 31, 2019: 3,860 lakhs) of undrawn committed borrowing facilities.

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
<b>Year ended March 31, 2020</b>						
Borrowings	4,825.17	-	609.50	9,652.06	66,499.74	81,586.48
Trade and other payables	4,803.80	-	-	-	-	4,803.80
Other Financial Liabilities(Other than current maturity)	5,830.56	-	-	-	-	5,830.56
	15,459.53	-	609.50	9,652.06	66,499.74	92,220.84
<b>Year ended March 31, 2019</b>						
Borrowings	660.00	113.39	407.95	7,935.76	29,813.53	38,930.63
Trade and other payables	2,656.96	-	-	-	-	2,656.96
Other Financial Liabilities(Other than current maturity)	5,348.68	-	-	-	-	5,348.68
	8,665.64	113.39	407.95	7,935.76	29,813.53	46,936.27



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

The table provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 as on undiscounted basis

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Minimum Lease Payments :</b>		
Not later than one year	1,501.08	1,085.52
Later than one year but not later than five years	6,663.92	4,947.79
Later than five years	44,622.69	32,632.96
<b>Total</b>	<b>52,787.69</b>	<b>38,666.27</b>

### 37 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.

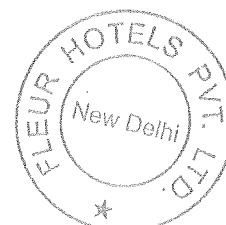
	<u>March 31, 2020</u>	<u>Rs. In lakhs</u> <u>March 31, 2019</u>
Borrowings (Note 15 and Note 19)	81,586.48	38,930.63
Trade payables (Note 19)	4,803.80	2,656.97
Less: cash and cash equivalents (Note 11)	1,318.90	474.06
<b>Net debt</b>	<b>85,071.38</b>	<b>41,113.54</b>
 Total capital	 146,449.73	 99,035.63
<b>Capital and net debt</b>	<b>231,521.11</b>	<b>140,149.17</b>
<b>Gearing ratio</b>	<b>37%</b>	<b>29%</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.

Q



### 38. 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.

<i>Rs. In Lakhs</i>		
Party	March 31, 2020	March 31, 2019
Make My Trip India Private Limited	2,094.69	-

### 39. Business Combination – Pooling of Interest Method

During the year ended March 31, 2020, the National Company Law Tribunal approved the order of scheme of amalgamation dated January 21, 2020 in respect of amalgamation of Meringue Hotels Private Limited (the Transferor Company) with Fleur Hotels Private Limited (the Company) and the scheme was effective from January 31, 2020. The Appointed date is April 01, 2019. The Company has made allotment of 12,265,439 equity shares to the shareholders of the Transferor Company on February 13, 2020 as per the swap ratio mentioned in the Scheme. The assets, liabilities and reserves of the Transferor Company as at April 01, 2019 has been taken over at their carrying values. This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of the Transferor Company.

Name of the Company	Principal Activity	Date of Acquisition	Proportion of voting equity interest acquired	Consideration transferred
Meringue Hotels Private Limited	Hotel Business	April 1, 2019	100%	2,152,209 shares of the Meringue Hotels Private Limited before amalgamation stands cancelled and 1,22,65,439 number of shares had been issued to the shareholders of Meringue Hotels for consideration other than cash.



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

**The detail of asset acquired and liabilities recognized as at April 1, 2019 are as follows:**

*(Amount in INR Lakhs)*

Particulars	Value of asset as on April 1, 2019
<b>Assets</b>	
Property, plant and equipment(including capital work in progress)	32,389.18
Financial assets	1,261.27
<b>Total Assets</b>	<b>33,650.45</b>
<b>Liabilities</b>	
Borrowings	19,811.08
Other financial liabilities	4,110.89
Provisions	7.71
Other current liabilities	15.16
<b>Total Liabilities</b>	<b>23,944.84</b>
Other equity	9,684.09
Equity share capital of Fleur Hotels Private Limited issued as per the swap ratio to shareholders of the Transferor Company.	1,226.54
<b>Capital Reserve A/c recognized as on April 1, 2019</b>	<b>1,205.02</b>

40. On November 1, 2019, Fleur Hotels Private Limited, the subsidiary company of Lemon Tree Hotels Limited, acquired 100% of the voting interest representing 5,45,51,616 shares of Berggruen Hotel Private Limited engaged in the business of owning, operating and managing hotels and resorts. The business acquisition was conducted by entering into a share purchase agreement for the total net consideration (including other related expenses) of Rs. 49,504.16 Lakhs paid to Berggruen Investment, Mauritius (Seller) in cash (funded partly through issuance of CCPS to existing shareholders and partly from internal accruals).
41. The Company has accumulated losses of Rs. 732.12 Lakhs and has incurred net loss of Rs.3, 493.20 Lakhs (previous year March 2019 Rs. 219.81 Lakhs) for the year ended March 31, 2020. In addition, the Company's current liabilities exceed current assets by Rs. 6,215.80 Lakhs. Current liabilities include amount payable to Lemon Tree Hotels Limited (the parent company) of Rs. 7,295.92 Lakhs as on March 31, 2020. The parent company has given a support letter to the Company about confirming their financial ability and intention to provide financial and operational support to the Company for a period of at least 12 months. 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.



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

**42. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.**

	<b>Rs. in Lakhs</b>	
	<b>March31, 2020</b>	<b>March31, 2019</b>
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	80.45	74.86
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

43. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
44. 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).

②





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

---

45. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.


As per our report of even date

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



**Patanjali G. Keswani**  
Chairman and Managing Director

DIN-00002974

  
**Sonali Manchanda**  
Company Secretary  
**Inder Pal Batra**  
Chief Financial Officer

Place : New Delhi  
Date : May 29, 2020

