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BOARD OF DIRECTORS

Shri Rajiv Bansal
Shri Vimalendra Patwardhan
Shri Satyendra Kumar Mishra
Smt Amrita Sharan

Chairman

Chief Executive Officer

Shri Deepak Khullar

Chief Financial Officer

Smt Thrity C Dalal

Company Secretary

Kum Shyamala P Kunder

Auditors

M/s Sara & Associates

Solicitors

M/s. M.V. Kini & Co.

Bankers

Axis Bank
J & K BANK
State Bank of India
Syndicate Bank
United Bank of India

Registered Office

1st Floor, Transport Annexe Building
Air India Complex, Old Airport,
Santa Cruz (E) Mumbai-400029



CHAIRMAN'S MESSAGE

Dear Shareholders,

I am writing this Message to you in our Golden Jubilee Year- 50 years of Hotel Corporation of India.

In the FY 2020-21, as an Industry, we have witnessed one of the most challenging times caused due to the ongoing COVID-19 pandemic. The pandemic has affected the hospitality sector in an unprecedented manner with an array of disruptions affecting all segments of the hospitality business. The lockdowns and travel restrictions severely affected the hospitality business across the world and your Company was no exception resulting in decimating revenues, profits and incurring cash losses to meet the obligations of the Company.

During the period of lockdown in the first quarter of FY 2020-21, although there were restrictions in the domestic and international travel, the demand was predominantly from the 'Vande Bharat Mission' flights, the Government of India's quarantine and testing requirements for the Air India Crew and Staff and for people returning from abroad and other travellers. Our employees supported the Air India's Vande Bharat mission and prioritised the safety and convenience of the guests and remained steadfast and resolute to making our guests' experiences memorable even during this adversity.

I am thankful to the unwavering commitment of our Corona-warriors who have been at the forefront to meet the requirement, despite numerous odds.

The catering Business of the Company was shut down during the lockdown phase. After the lockdown was lifted, due to restricted flights operations, there were truncated operations during the year. The flight kitchens could only start operations partially in the second week of September 2020. Overall, the average revenue generation per month reduced to Rs 2496.04 lakhs as against Rs 6762.53 lakhs in 2019-20 i.e. a drop of Rs 4266.48 lakhs.

Despite the overall Revenues being down by over 63% over the previous year, the team managed to substantially control the operating costs by saving 30% against the previous year. This resulted in minimising the Gross Operating Loss and keeping it down to Rs 3741.95 lakhs against Rs 2185.86 lakhs in the previous year.

The Company is exploring new avenues of revenue maximisation as well as exploring options to diversify its portfolio to create enterprise value.

As your Company moves towards its next phase in the post-covid scenario, with domestic and international travel on the rise, we are reasonably optimistic that the Company will reinvent and reposition itself to capture various opportunities in the hospitality and catering business as well as foray into related product and distribution extensions.

I take this opportunity to thank my colleagues on the Board for their valuable guidance, the Shareholders, Company's customers, Central and State Governments as well as Air India and its subsidiaries for their unstinted support. I would also like to place on record my appreciation to the employees at all levels for their hard work, dedication and commitment during these challenging times.

Sincerely,

Sd/-

Rajiv Bansal
Chairman

Date : 28th September 2021
Place : New Delhi



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC ENVIRONMENT

The financial year under review witnessed economic and social disruption caused by the outbreak of COVID-19 pandemic across the world. The pandemic caused an unprecedented challenge to all spheres of human life especially on the health and was also financially devastating wherein a large number of people lost their livelihoods and companies faced with survival and existential threat.

Governments across the world imposed countrywide lockdowns which restricted movement of people with many countries closing their boundaries to arrest the spread of the pandemic. This was followed by gradual lifting of restrictions within a regulated environment starting from the second quarter of the year.

The pandemic had an immediate impact on most industries and sectors leading to a steep decline in Gross Domestic Product (GDP) of many countries. Many companies changed their operating models to adapt to innovative ways of working and, wherever possible, restricted employees to working from home for maintaining safety and good health. Many organizations implemented travel restrictions and also reduced conferences, events and embarked on cost reduction and austerity measures to conserve cash Flows.

GLOBAL HOSPITALITY AND TOURISM INDUSTRY

Global tourism suffered its worst year on record in 2020, with international arrivals dropping by 74% according to the latest data from the United Nations World Tourism Organization (UNWTO). International arrivals at destinations worldwide were a billion fewer in 2020 than in the previous year, due to an unprecedented fall in demand consequent to stricter travel restrictions imposed to curtail the pandemic. International tourist arrivals (overnight visitors) dropped by 87% in January 2021, amid new outbreaks and tighter travel restrictions following a decline of 85% in the quarter ended December, 2020. By regions, Asia Pacific dropped by 96% since the region continues to have the highest level of travel restrictions in place. Europe and Africa both saw a decline of 85% in arrivals, while the Middle East recorded a drop of 84%. International arrivals in the America decreased by 77% in January, 2021.

(Source: UNWTO, Barometer January 2021).

GLOBAL ECONOMY: THE YEAR IN REVIEW

Global economy contracted by 3.3% in 2020 as a result of diminished economic activities across the globe induced by Covid-19 pandemic.

The IMF in its report on World Economic Outlook published in April 2021 projected a stronger recovery in 2021 and 2022 with growth projected to be 6 percent in 2021 and 4.4 percent in 2022. The growth rate projected for India is 12.5% in 2021 and 6.9% in 2022, while China is projected to grow by 8.4% in 2021 and 5.6% in 2022. Emerging and Developing Asia is projected to grow by 8.6% in 2021 and 6% in 2022. GDP contraction was lower than the initial expectations due to unprecedented monetary policy support from global central banks and fiscal stimulus from governments.

(Source: IMF- World Economic Outlook – Apr 2021)

INDIAN ECONOMY: THE YEAR IN REVIEW

The nation-wide lockdown caused a sharp contraction of 23.9% in GDP during Q1 FY 2021, recovering to a 7.5% drop in Q2, together with improvement in all key economic indicators.



The Economic Survey projects India's real GDP to grow by 11% in 2021-22 based on continued normalization in economic activities and the roll out of COVID-19 vaccines gathering traction. Supplemented with supply-side push aided by reforms, easing of regulation, continued infrastructural investments, recovery of pent-up demand, increase in discretionary consumption and supported by pick up in credit given low interest rates and adequate liquidity, it expects the economy to overtake pre-pandemic levels of FY 2019-20 in another 2 years

(Source: Economic Survey 2020-21).

OUTLOOK

Due to the second wave of pandemic and with a surge of cases and emergence of new variants, many countries reintroduced stricter travel restrictions mandatory testing, quarantines and in some cases border closures and domestic lockdowns impacting the resumption of international travel. Further, the pace of vaccinations has been slower than expected and varying across countries. With 32% of destinations worldwide showing complete border closures in early February, 2021 and another 34% with partial closure, UNWTO expects international tourist arrivals to be down by 85% during January to March, 2021 over the same period of 2019, representing a loss of about 260 million international arrivals. Most experts do not see global travel returning to pre-pandemic levels earlier than 2023. Their recovery is depended on several factors such as a gradual improvement of the epidemiological situation, continued roll-out of the COVID-19 vaccine, a significant improvement in traveller confidence and a major lifting of travel restrictions.

COMPANY'S OUTLOOK



Air India Limited (AIL) has been continuously supporting the Company by giving business which contributes to the operational revenue of the Company -nearly 70% of the revenue earned by the Company is from AIL.

Segment wise reporting for the year 20-21

Particulars	Hotels (Rs. in Lakhs)	Flight Kitchens (Rs. in Lakhs)	Others (Rs. in Lakhs)	Total (Rs. in Lakhs)
Revenue	1402.42	1019.43	74.19	2496.05
Operating Profit/ (Loss)	(2202.58)	(1613.09)	73.72	(3741.95)
Net Profit / (Loss)	(6638.71)	(3096.94)	73.72	(9661.92)

Your Company witnessed subdued performance in terms of business in FY 2020-21 primarily in the first half of the year due to onset of Covid-19 and the resultant lockdown imposed by the Central Government and the various State Governments.



RISK MITIGATION STRATEGIES

The Company has embarked upon a journey to reduce its dependencies on Air India Limited and its subsidiaries:

- It is in the process of augmenting talent to enhance its operational standards and enable the Company to attract businesses from Non Air India entities.
- It is also making efforts to de-risk the business model by exploring other lines of business

Estimation of the future impact of COVID-19 on its operations

Since the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. We believe, in the short term, there will be impact on sales volumes, revenue, and profitability and the operations will gradually ramp up only after the resolution of the pandemic. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers.

INTERNAL CONTROL SYSTEMS

Your Company's Internal Auditors carry out audit of the transactions of the Company periodically, in order to ensure that recording and reporting are adequate and proper. The Internal Audit also verifies whether internal controls and checks & balances in the systems are adequate, proper and up to date. Corrective actions for any weaknesses in the system that may be disclosed by the Audits are taken. Management is exploring introduction of digitisation and integration of key back office processes to further enhance internal control mechanisms.

GOING CONCERN

The Company is taking all necessary measures to reduce fixed costs, rationalize resources and explore all opportunities to enhance topline.

The Management believes that domestic travellers, catering, socials and leisure sector will be key to revival of its hotel business.

Company is also working towards turning around Chefair by enhancing capacity utilization with the objective to be able to cater to the increased demand from airlines other than Air India.

Company is also exploring the possibility for catering to other sectors and venturing into related product and distribution extensions.

The management is positive that with the help of all its stakeholders and its Human capital, the Company would be able to turn around.



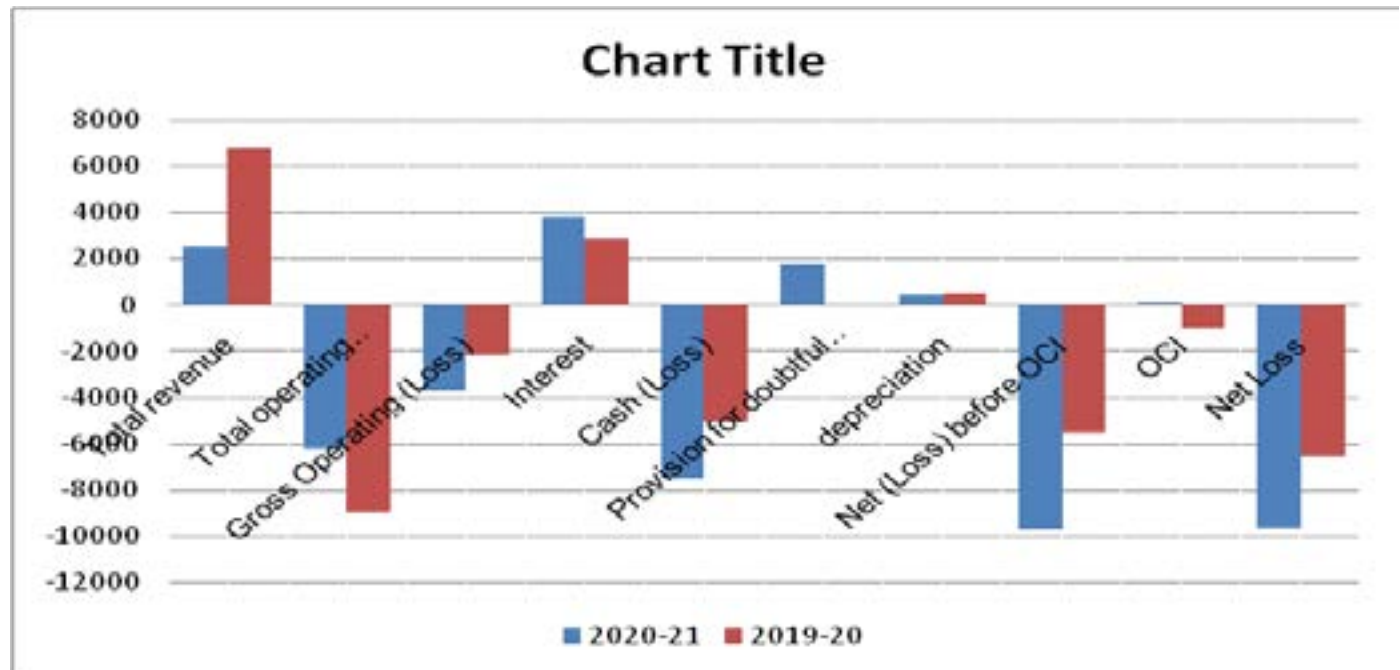
DIRECTORS' REPORT

The Directors presents their 50th Annual Report and the Audited Accounts for the year ended 31 March 2021.

REVIEW OF FINANCIAL PERFORMANCE:

(Rupees in Lakhs)

PARTICULARS	2020-21	2019-20	Variance
Total Revenue	2496.05	6762.53	-4266.48
Total Operating Expenditure	6238.00	8948.39	-2710.39
Gross Operating (Loss)	(3741.95)	(2185.86)	1556.09
Interest	3818.11	2873.66	944.46
Cash (Loss)	(7560.06)	(5059.52)	2500.54
Provision For Doubtful Advances	1736.23	-	1736.23
Depreciation	440.89	495.29	-54.40
Net (Loss) Before OCI	(9737.18)	(5554.81)	4182.37
Other Comprehensive Income (OCI)	75.26	(999.89)	-1075.14
Net (Loss) Carried To Balance Sheet	(9661.92)	(6554.70)	3107.23



OTHER FINANCIAL INFORMATION

SHARE CAPITAL

As on 31 March 2021, the Authorised Share Capital of the Company was Rs.150,00,00,000/- (Rupees One hundred fifty Crore) divided into 1,50,00,000 shares of Rs.100/- each.



As on 31 March 2021, the Paid-up Share Capital of the Company was Rs.137,60,00,000/- (Rupees One hundred and Thirty-Seven Crore sixty lakhs) divided into 1,37,60,000 shares of Rs.100/- each which were held as follows:

- Rs.110,60,00,000 (Rupees One hundred and Ten Crore sixty lakhs) divided into 110,60,000 shares of Rs.100 each held by Air India Limited being the Holding Company.
- Rs.27,00,00,000/- (Rupees Twenty Seven Crore) divided into 27,00,000 shares of Rs.100/- each held by the Central Government in the name of the President of India.

ANNUAL PLAN OUTLAY 2020-21

Due to Covid 19 Pandemic, the Annual Plan was not submitted for the year 2020-21.

CHANGES IN THE SHARE CAPITAL, IF ANY

During the year there was no change in the paid up share capital of the Company.

CHANGE IN NATURE OF BUSINESS

During the year there was no change in the nature of business of the Company.

DIVIDEND

In terms of Section 123 of the Companies Act, 2013 the dividend could not be considered due to accumulated losses.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend for the past years, the provisions of Section 125 of the Companies Act, 2013 did not apply.

AMOUNTS TRANSFERRED TO RESERVES

In view of the accumulated losses, the Board of Directors have decided not to transfer any amount to reserves during the year.

FOREIGN TOURS

The Company incurred NIL expenditure under this head during the year under review.

HUMAN RESOURCE

Personnel

As on 31 March 2021, the Company had on its payroll a total of 502 employees as against 575 as on 31 March 2020. The Company believes that the challenges surrounding the business environment can be best mitigated by a workforce that is motivated, nimble, adaptive to change, innovative and fast in learning.

Industrial Relations

The industrial relations in the Company have traditionally been harmonious.



VIGILANCE

During the year under report, periodic surprise checks and inspections were carried out at all units of HCI. During the year, procedural advice was rendered from time to time in matters pertaining to tender/purchase procedures. Vigilance Awareness Week was observed from 27 October 2020 and 2 November 2020.

STATUTORY COMPLIANCE

Employment of Ex-Servicemen

The Company had been following the Government directive received in this regard for employment of Ex-Servicemen.

Implementation of Official Language Policy

With regard to the implementation of Official Language Policy, the directives received from the Government from time to time are being followed.

Employment of SC, ST & OBC

Subsequent to the disinvestment of three out of six Units of HCI, there was a ban on recruitment and hence, no recruitment exercise was carried out. However, the Company continued to observe the Government directives for reservation of posts in promotions of SC, ST and OBC candidates. SC/ST/OBC – Number of employees as on 31 March 2021.

Total No. of employees	Total Number of SC employees	% of SC employees	Total No. of ST employees	% of ST employees	Total No. of OBC employees	% of OBC employees
502	96	19.12	36	7.17	51	10.16

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Energy conservation continues to be given priority by the Company. Constant efforts are being made to reduce energy consumption.

Particulars required under Form B of the relevant Rules Pursuant to Section 134 (2)(m) of the Companies Act 2013, have not been given since the Company has no Research and Development activity. The question of technology absorption, adaptation or innovation is not applicable to the Company, in view of it being a Service Industry.

DEPOSITS

The Company has not accepted any deposits during the year.

SIGNIFICANT & MATERIAL ORDERS

During the year no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions of Section 135 of Companies Act, 2013 relating to Corporate Social Responsibility is not applicable



to the Company as the Company has not earned any profits during the year.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Foreign Exchange Earnings and Outgo during the year were Nil.

COMPLIANCE WITH THE RTI ACT, 2005:

Hotel Corporation of India Limited has ensured compliance with the provisions of Right to Information Act for providing information to the citizens.

The Company has decentralized its structure to deal with the applications/appeals received under RTI Act and has 4 Assistant Public Information Officers (APIOs), 5 Public Information Officers (PIOs) and an Appellate Authority have been appointed for speedy disposal of applications/ appeals. During 2020-21, 31 Requests/ Appeals were received out of which 31 Requests/ Appeals were disposed off.

SEXUAL HARASSMENT:

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this.

One Complaint pertaining to sexual harassment was received during 2019-20. However, due to outbreak of Covid-19, hearings could not happen and is pending at the end of the financial year. In the year 2020-21 there was no complaint received pertaining to sexual harassment.

INFORMATION ABOUT SUBSIDIARY/JV/ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint Venture or Associate Company.

MATERIAL CHANGES AND COMMITMENTS

In terms of the provisions of Section 134(3)(l), no major changes have occurred which have affected the financial position of the Company between 31 March 2021 and the date of Board's Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed Management Discussion and Analysis Report is given separately.

MEETINGS OF THE BOARD OF DIRECTORS

As required under Section 173 of the Companies Act 2013, Three Meetings of the Board of Directors of the Company were held during the Financial Year 2020-21 as detailed below, and the provisions of the Companies Act, 2013 were adhered to while considering the time gap between two Meetings.

Details of Board meetings is given below :

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
250	28 August 2020	4	4
251	21 October 2020	5	4
252	21 January 2021	5	4
253	25 March 2021	5	4

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, the Directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31 March 2021 and of the Profit or Loss of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of the knowledge and ability of the Directors.
- The Company being an unlisted Company, provisions of Section 134(3)(e) are not applicable.
- That the annual accounts have been prepared on a "going concern" basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance with the exception of appointment of Independent Directors on the Board. This matter is being pursued with the Administrative Ministry. The detailed Corporate Governance Report forms part of this Annual Report is annexed as **Annexure I**.

AUDITORS:

M/s. Sara & Associates, Chartered Accountants were appointed as the sole auditors of the Company for the financial year 2020-21 by the Comptroller & Auditor General of India in accordance with the provisions of the Section 139 of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of section 204 of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed DHOLAKIA & ASSOCIATES LLP, Practicing Company Secretary, Mumbai, to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31 March 2021 is enclosed at **Annexure II**.

Management's Reply on the observations contained in the Secretarial Audit Report**Attendance of Directors/Auditors in AGM**

- (i) *that Requirement under Para 4 of SS-2 General Meetings as regards to the presence of Directors and Auditors, is not observed at the Annual General Meeting held during the year under review.*

Management's Comments

Due to the inability of the Directors and Auditors of the Company which was communicated through their office telephonically, they have not attended General meetings conducted during the period from 1st April, 2020 to 31st March, 2021 as required under Para 4 of SS-2 General Meetings.



Quarterly Financial Results

(ii) *Not placing the Compliance Certificate as envisaged u/s 205 of the Act.*

Management's Comments

In line with the compliance reports placed in the Air India Board, our holding Company, we have placed the compliance reports for the quarter January-March 2021 before the Board. The quarterly compliance reports will be submitted to the Board in future in order to comply with the provisions of Section 205 of the Companies Act, 2013.

Independent Directors

(iii) *Not appointed Independent Directors as required u/s 149 of the Act read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.*

(iv) *Composition of Audit committee is not as per section 177 of the Act.*

Management's Comments

It is a statement of fact.

There were no Independent Directors on the Board as required under the provisions of Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 for the period from 1st April, 2020 till 31st March, 2021. As per the Articles of Association of the Company, appointment of Director is done by the administrative ministry, i.e. the Ministry of Civil Aviation in consultation with Air India Limited and the Company has no say in the matter. In view of the same, the Company could not comply the requirement with respect to the composition of the Audit Committee (section 177 (2) of the Act) of the Board due to non appointment of Independent Directors for the said period.

Women Directors

(v) *Not having a Woman Director as required u/s 149 of the Act from 1st April, 2020 to 10th September, 2020.*

It is a statement of fact.

Though there was no Woman director on the Board at the beginning of the Financial year, subsequently, Smt. Amrita Sharan, Director (Personnel), Air India Limited was appointed on the Board as a Woman Nominee Director of Air India Limited effective 11th September 2020. Accordingly, w.e.f. 11th September 2020, requirement under section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 has been complied with.

LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the provisions of Section 186 are not applicable to the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of Related Party



Transactions in Form AOC-2 is enclosed at **Annexure III**.

RISK MANAGEMENT

The process of Risk Management involves identification of risks, framing an adequate response to manage and mitigate the risks identified, followed by constant monitoring and review of the risk management process.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, extract of Annual Return in Form MGT-9 is annexed which is uploaded on the website of the Company, i.e. www.centaurhotels.com.

Details of Key Managerial Personnel of the Company:

Sr. No	Name	Designation	Date of appointment
1	Shri Pankaj Kumar	Chief Executive Officer (resigned on 17.07.2020)	9 February 2015
2	Shri Ajay Prakash	Chief Executive Officer upto 4.11.2020	21 July 2020
3	Shri Deepak Khullar	Chief Executive Officer	5 November 2020
4	Smt. Thrity C Dalal	Chief Financial Officer	9 February 2015
5	Kum Shyamala P Kunder	Company Secretary	9 February 2015

DECLARATION OF INDEPENDENCE

HCI is a Subsidiary of Air India Limited. As per the provisions of Article 97 of the Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fourteen all of whom shall be appointed by Air India Limited, who in turn can do so subject to the directions of the Government of India.

Air India has requested the Ministry of Civil Aviation to nominate Independent Directors on the Board of HCI and appointments are awaited.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The following changes have occurred in the constitution of Directors and KMP of the Company during the Financial Year 2020-21

Sr. No	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
1	Shri Pankaj Kumar	Chief Executive Officer	01.05.2020	17.07.2020	Resigned as CEO
2	Shri Ajay Prakash GM-Personnel, NR, Air India Ltd.	Additional charge as Chief Executive Officer`	21.07.2020	05.11.2020	On appointment of new CEO
3	Shri Vinod Hejmadi Director(Finance)-AIL	Nominee Director of Air India Limited	07.12.2015	11.09.2020	On appointment of Smt Amrita Sharan



4	Smt Amrita Sharan Director(Personnel)- AIL	Women Nominee Director of Air India Limited	11.09.2020	-	-
5	Shri Deepak Khullar	Chief Executive Officer	5.11.2020		

In view of the exemption granted vide Notification dated 5 June 2015 of the Ministry of Corporate Affairs, information on the following points has not been given:

- i. Performance Evaluation of Board, its Committees and individuals
- i. Policy for selection and appointment of Directors and their remuneration
- ii. Remuneration Policy - Remuneration to Executive Directors and Non-Executive Directors
- iii. Related Party Transactions

Even though vide the above notification exemption has been granted to Government Companies from application of First Provision to Section 188 i.e. to obtain approval of the shareholders in respect of contracts or arrangements entered into by it with any other Government Company, approval of the Board is required to be obtained for the same. Accordingly, the approval of the Board has been taken for Related Party Transactions entered with Air India Limited for the year 2020-21 to the tune of Rs.50 Crores.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

The “nil comments” of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of the Company for the year ended 31 March 2021 are enclosed to the report.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the support and co-operation extended by the employees of the Company. The Board also wishes to acknowledge gratefully the support and guidance received from the Ministry of Civil Aviation and Air India Limited. The Directors wish to thank the Comptroller and Auditor General of India, Chairman and members of the Audit Board, Statutory Auditors and Banks.

On Behalf of the Board of Directors

Date : 28th September 2021
Place : New Delhi.

Sd/-
(RAJIV BANSAL)
CHAIRMAN



CORPORATE GOVERNANCE

Meetings of Board of Directors

As per the Articles of Association of the Company, the number of Directors shall not be less than three and not more than fourteen.

During the year 2020-21, four Board Meetings were held and the Board consisted of the following members:

1. Shri Rajiv Bansal
Chairman & Managing Director-ALL - Part-time Chairman
2. Shri Vimalendra Anand Patwardhan
Joint Secretary & Financial Advisor
Ministry of Civil Aviation - Director
3. Shri Satyendra Kumar Mishra
Joint Secretary
Ministry of Civil Aviation - Director
4. Shri Vinod Hejmadi,
Director - Finance, Air India Limited
(ceased to be on the Board 11.09.2020) - Director
5. Smt Amrita Sharan
Director-Personnel, Air India Limited
(Appointed on the Board 11.09.2020) - Director
6. Shri Deepak Khullar
Chief Executive Officer
(Appointed w.e.f. 5.11.2020)

(Shri Pankaj Kumar resigned as CEO-HCI on 17 July 2020. Shri Ajay Prakash, GM-Marketing, Air India Limited was appointed as Chief Executive Officer effective 20 May 2020. Subsequently Shri Deepak Khullar was appointed as Chief Executive Officer effective 5th November 2020.

The Board places on record its appreciation of the valuable services rendered by Shri Pankaj Kumar as MD-HCI and then as CEO-HCI till his resignation on 17 July 2020 and Shri Ajay Prakash, as CEO-HCI effective 20 July 2020 till 5 November 2020).

With the appointment of Smt Amrita Sharan, Director (Personnel), AIL on the Board of the Company being a Woman Director as a Nominee Director of Air India Limited, the Holding Company, effective 11th September 2020, Shri Vinod Hejmadi, ceased to be on the Board and has been nominated as a Special Invitee on the Board and Audit Committee of the Company from the same date.

During the year, all meetings of the Board were chaired by the Chairman and the Annual General Meeting was chaired by the Director-Finance-Air India Limited, being the representative of Air India Limited.

Board Procedure

The meetings of the Board of Directors are generally held at Air India's Headquarters in New Delhi. The meetings are scheduled well in advance. In case of exigencies or urgency, resolutions are passed by



circulation. The Board meets at least once a quarter to review the operating performance of the Company. The agenda for the meetings is prepared by the officials of the concerned departments and approved by the MD & the Chairman. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required. Action Taken Reports are put up to the Board periodically. To enable better and more focused attention on the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose.

Details regarding the Board Meetings, Annual General Meeting, Directors' attendance thereat, Directorships and Committee positions held by the Directors are as under:

Board Meetings:

Four Board Meetings were held during the financial year on the following dates:

250 th Board Meeting	28 th August 2020
251 st Board Meeting	21 st October 2020
252 nd Board Meeting	21 st January 2021
253 rd Board Meeting	25 th March 2021

Particulars of Directors including their attendance at the Board/Shareholders' Meetings during the financial year 2020-21

Name of the Director	Academic Qualifications	Attendance in the Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
Shri Rajiv Bansal CMD-Air India Limited	Civil Engineer from IIT Delhi, Diploma in Finance, ICFAI, Hyderabad Exe Masters in International Business, IIFT, Delhi	4	<p><u>Chairman & MD-</u> Air India Limited <u>Part-time Chairman</u></p> <ul style="list-style-type: none"> • Air India Express Ltd., • AI Airport Services Ltd., • AI Engineering Services Ltd., • Alliance Air Aviation Ltd., • Hotel Corporation of India Ltd., <p>Director</p> <ul style="list-style-type: none"> • Air India SATS Airport Services Pvt Ltd., • Air Mauritius Limited and Air Mauritius Holding Ltd. 	<p><u>In Air India Ltd.</u> <u>-Permanent Invitee</u> Audit Committee</p> <p><u>Member</u> Nomination & Remuneration Committee</p> <p><u>In Hotel Corp. of India Ltd.</u> <u>Member-</u> Audit Committee</p> <p><u>In Air India Express Ltd.</u> <u>Member-</u> Audit Committee</p>



Shri Pankaj Kumar (resigned w.e.f. 17 July 2020)	MBA	-	Chief Executive Officer	
Shri Ajay Prakash (Appointed as CEO-HCI Between 20 July 2020 to 5 November 2020)	MBA	1	Chief Executive Officer	
Shri Deepak Khullar (Appointed as CEO-HCI w.e.f. 5 th November 2020)	BA, MBA and Diploma in Hotel Management, Catering Technology and Applied Nutrition (IHM, Mumbai)	2	Chief Executive Officer	
Shri Vinod Hejmadi Director (Finance)- Air India Limited (Ceased to be on the Board w.e.f. 11 September 2020)	B.Com, A.C.A.	1	<u>Director</u> <ul style="list-style-type: none"> • Air India Express Ltd., • AI Airport Services Ltd., • AI Engineering Services Ltd., • Alliance Air Aviation Ltd., • Hotel Corporation of India Ltd., * <p>(*Ceased to be on the Board effective 11th September 2020 and was appointed as a Special Invitee)</p> <p>And</p> <ul style="list-style-type: none"> • AISATS Airport Services Pvt . Ltd 	<u>In Air India Ltd.</u> <u>Chairman</u> Cost Cutting Committee <u>Special Invitee</u> Audit Committee <u>Member</u> <ul style="list-style-type: none"> • Corporate Social Responsibility Committee • HR Committee • Share Allotment Committee • Flight Safety Committee <u>In Hotel Corp. of India Ltd.</u> <u>Member/Special Invitee*</u> Audit Committee (*w.e.f.11.09.2020)



				<p><u>In Air India Express Ltd.</u> <u>Member</u> Audit Committee</p> <p><u>Alliance Air Aviation Ltd.</u> <u>Member</u> Audit Committee</p>
Smt Amrita Sharan Director (Personnel) - Air India Limited (Appointed on the Board w.e.f. 11 September 2020)	B.A. –Eco. (Hons), MBA	3	<p><u>Director</u></p> <ul style="list-style-type: none"> • Air India Limited • AI Engineering Services Ltd., • Hotel Corporation of India Ltd. 	
Government Directors				
Shri Vimalendra Anand Patwardhan Joint Secretary & Financial Advisor, Ministry of Civil Aviation	B.Com IAS	4	<p><u>Director</u></p> <ul style="list-style-type: none"> • Air India Ltd., • Hotel Corporation of India Ltd., • AI Airport Services Ltd., • AI Engineering Services Ltd 	<p><u>In Air India Ltd.</u> <u>Chairman</u></p> <ul style="list-style-type: none"> • Audit Committee; • Share Allotment Committee <p><u>Member</u> Cost Cutting Committee</p> <p><u>In Hotel Corp. of India Ltd.</u> <u>Chairman</u> Audit Committee</p>
Shri Satyendra Kumar Mishra Jt. Secretary, Ministry of Civil Aviation	M.Tech (applied Geology) MA (in Public Policy)	4	<p><u>Director</u></p> <ul style="list-style-type: none"> • Air India Ltd., • Hotel Corporation of India Ltd., • AI Airport Services Ltd., • AI Engineering Services Ltd 	<p><u>In Air India Ltd.</u> Member</p> <ul style="list-style-type: none"> • Audit Committee; • HR Committee; • Nomination & Remuneration Committee • Share Allotment Committee • Flight Safety Committee <p><u>In Hotel Corp. of India Ltd.</u> <u>Member</u> Audit Committee</p>



BOARD COMMITTEES

Audit Committee:

During the year 2020-21, the constitution of the Audit Committee was as follows:

- | | |
|--|---------------------------|
| 1. Add/Jt. Secretary & Financial Advisor, MOCA | -Chairman |
| 2. Chairman & Managing Director-AIL | -Member |
| 3. Joint Secretary, MOCA | -Member |
| 4. Director Finance-Air India Ltd., | -Member/ Special Invitee* |

*Ceased to be on the Board/Audit Committee effective 11th September 2020 and appointed as the Special Invitee

The quorum for the meeting of Audit Committee would be 1/3rd of the total strength or 2 whichever is higher. During the year under report, four meeting of the audit committee was held.

The terms of reference of this Committee are:

- To recommend for appointment, remuneration and terms of appointment of auditors of the Company;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To review the Internal Audit program & ensure co-ordination between the Internal & External Auditors as well as determine whether the Internal Audit function is commensurate with the size and nature of the Company's Business ;
- To discuss with the Auditor before the audit commences the nature & scope of the audit ;
- To examine the financial statements and the auditors' report thereon;
- To review the Statutory Auditor's Report, Management's response thereto and to take steps to ensure implementation of the recommendations of the Statutory Auditors ;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- To consider any other matter as desired by the Board ;

The Audit Committee met four times during the year to review various issues including inter alia annual accounts of the Company for the year before submission to the Board, on the following dates:

33 rd Meeting	28 th August 2020
34 th Meeting	21 st October 2020
35 th Meeting	21 st January 2021
36 th Meeting	25 th March 2021

**Attendance at the Audit Committee Meetings**

Name of the Member	No. of Meetings Attended
Shri Vimalendra Anand Patwardhan	4
Shri Rajiv Bansal	4
Shri Satyendra Kumar Mishra	4
Shri Vinod Hejmadi *Ceased to be on the Board effective 11th September 2020 and hence attended Board and Audit Committee meetings thereafter (3 each) as a Special Invitee	1

Annual General Meetings during the last three years

The details of these meetings are given below:

No. of meeting	Date and time of the Meeting	Venue
49 th Annual General Meeting	31 st December 2020 at 1230 hrs	1 st flr, Transport Annexe Building, AirIndia Complex, Old Airport, Santa Cruz(E), Mumbai-400 029
Extra Ordinary General Meeting	28 th October 2020 at 1130 hrs	
Extra Ordinary General Meeting	10 th June 2020 at 1500 hrs	
48 th Annual General Meeting	30 th September 2019 at 1230 hrs	
47 th Adjourned Annual general Meeting	22 nd January 2019 at 1130 hrs	
47 th Annual General Meeting	27 th December 2018 at 1230 hrs	
Extra Ordinary General Meeting	20 th April 2018 at 1130 hrs	



CODE OF CONDUCT

DECLARATION

I hereby declare that all the Board Members & Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors for the year ended 31st March 2021.

Sd/-
(Rajiv Bansal)
Chairman
Hotel Corporation of India Limited

Date : 28th September 2021

Place : Delhi



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Issued in pursuance to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
HOTEL CORPORATION OF INDIA LIMITED
TRANSPORT ANNEX BLDG,
1ST FLOOR AIR INDIA COMPLEX,
SANTACRUZ (EAST)
MUMBAI 400029.

Due to widespread outbreak of Covid-19 and consequent and subsequent imposition of lockdown, we have conducted the secretarial audit through electronic platform to verify the documents by our authorized person(s) during the lock down period, of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hotel Corporation of India Limited (CIN: U55101MH1971GOI015217) (hereinafter called 'the Company')** for the financial year ended 31st March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion, it must be noted that-

- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
- iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
- iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- v. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. Based on our online verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the



Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:

- C. We have conducted an online examination of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:
- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of facilitating dematerialization of equity shares of the Company;
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings. The Company has no Foreign Direct Investment and Overseas Direct Investment.
 - V. None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company except The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - VI. Having regard to the compliance system prevailing in the Company and on the basis of Management Representation Letter issued by the Company, the Company has complied with the following laws applicable specifically to the Company:
 - (a) The Prevention of Food Adulteration Act, 1954;
 - (b) Food Safety and Standards Act, 2006;
 - (c) The Water (prevention and control of pollution) Act, 1974;
 - (d) The Air (prevention and control of pollution) Act, 1981;
 - (e) The Legal Metrology Act, 2009;
 - (f) Hotel Insurance Policy;
- D. We have also examined compliance with the applicable clauses of the Secretarial Standards in respect of Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

- (i) *that Requirement under Para 4 of SS-2 General Meetings as regards to the presence of Directors and Auditors, is not observed at the Annual General Meeting held during the year under review.*
- (ii) Not placing the Compliance Certificate as envisaged u/s 205 of the Act.
- (iii) Not appointed Independent Directors as required u/s 149 of the Act read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- (iv) Composition of Audit committee is not as per section 177 of the Act.
- (v) Not having a Woman Director as required u/s 149 of the Act from 1st April, 2020 to 10th September,



2020.

We also state that as per clause no 97 of Articles of Association of the Company, appointment of Directors on the Board is done by Air India Limited (Holding Company).

- E.** We further report that-
- I. Subject to what is stated herein above as regard the appointment of Independent Directors, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and directions issued by the Air India Limited of which the Company is a subsidiary.
 - II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - III. Majority decision is carried through discussion and deliberation among the Directors.
- F.** We further report that there are systems and processes in the Company which require to be strengthened to commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws, rules, and guidelines in view of the following:
- (i) Compliance Certificate as envisaged u/s 205 of the Act may be placed quarterly so as to enable the Directors to ensure timely compliance of applicable laws;
 - (ii) Observations and suggestions made by the Internal Auditors in their Internal Audit Reports; and
 - (iii) various observations made by the Statutory Auditors while issuing the Independent Audit Report.
- G.** We further report that during the audit period none of the following events has taken place-
- i. Public/Rights/Preferential Issue of Shares/Debentures/Sweat equity etc.
 - ii. Major decision taken by the members in pursuance to Section 180 of the Companies Act, 2013.
 - iii. Merger/Amalgamation/Reconstruction, etc.
 - iv. Foreign Technical Collaborations

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)

Sd/-

CS Bhumitra V. Dholakia
Designated Partner

FCS-977 CP No. 507

UDIN: F000977C001028069

Place: Mumbai
Date: 28th September 2021



Annexure III

Annexure C to Directors' Report for the year 2020-21

Form No. AOC-2(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered during the year ended March 31, 2021, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis.

All contracts /arrangements / transactions entered by the Company with related parties under Section 188(1) of the Act during the financial year 2020-21 were on an arm's length basis, in the ordinary course of business.

Name of Related Party & Nature of Relationship with Hotel Corporation of India Limited	Nature of Transaction	Duration of Transaction	Salient terms of transaction	Amount (In Lakhs)
Air India Ltd (AIL) <i> Holding Company</i>	Expenditure	1 st April 2020 -31 st March 2021	The related party transactions (RPTs) entered during the year was in the ordinary course of business and on arms length basis.	
	1. Interest			3519.02
	2. Misc Exp			1.15
	Revenue earned from Hotel Accommodation and Catering Services			1472.29
AI Engineering Services Ltd (AIESL) <i>Fellow Subsidiary</i> (Subsidiary of Air India Ltd)	Revenue earned from Hotel Accommodation and Catering Services	1 st April 2020 -31 st March 2021		91.10
Air India Express Limited <i>Fellow Subsidiary</i> (Subsidiary of Air India Ltd)	Revenue earned from Hotel Accommodation and Catering Services	1 st April 2020 -31 st March 2021		2.61



Alliance Air Aviation Limited (AAAL) earlier known as Airline Allied Services Limited <i>Fellow Subsidiary</i> (Subsidiary of Air India Ltd.)	Revenue earned from Hotel Accommodation and Catering Services	1 st April 2020 -31 st March 2021		10.78
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For and on behalf of the Board

**Sd/-
(Rajiv Bansal)
Chairman**

Date : 28th September 2021
Place : New Delhi



Annexure IV

Annexure to Directors' Report for the year 2020-21
FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31 March 2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U51101DL1971GOI015217
2.	Registration Date	8 July 1971
3.	Name of the Company	HOTEL CORPORATION OF INDIA LIMITED
4.	Category/Sub-category of the Company	Government Company
5.	Address of the Registered office & contact details	'1 st Floor, Transport Annex Building, Air India Complex, Old Airport, Santacruz (East), Mumbai 400029
6.	Whether listed Company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated) –

Sr No	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	To carry on the Business of hotel, motel, restaurant, care, tavern, flight kitchen, refreshment=room and boarding and lodging, housekeepers, licensed victuallers, wine, beer and spirit merchants, brewers, malsters, distillers, importers, exporters and manufacturers and dealers in all kinds of foods and drinks	551	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

Sr. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1	Air India Limited 113, Airlines House, Gurudwara Rakabganj Road, New Delhi, 110001.	U62200DL2007GOI161431	Holding	80.38%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2020]				No. of Shares held at the end of the year [As on 31-03-2021]			% Change during the year % of Total Shares
	Demat	Physical	during the year	% of Total Shares	Demat	Physical	Total	
A. Promoters								
(1) Indian								
a) Individual/ HUF								
b) Central Govt		2700000	2700000	19.62		2700000	2700000	19.62
c) State Govt(s)								
d) Bodies Corp.	-	11060000	11060000	80.38	11059991	9	11060000	80.38
e) Banks / FI								
f) Any other								
Total shareholding of Promoter (A)	-	13760000	13760000	100	11059991	2700009	13760000	100
B Public Shareholding	Not Applicable							
1. Institutions								
a) Mutual Funds/UTI								
b) Banks / FI								
c) Central Govt.								
d) State Govt.(s)								
e) Venture Capital Funds								
f) Insurance Companies								
g) FIs								
h) Foreign Venture Capital Funds								
i) Others (specify) Foreign Banks								
Sub-total (B)(1):-	-	-	-	-	-	-	-	-

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2020]				No. of Shares held at the end of the year [As on 31-03-2021]			% Change % of Total Shares
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	
2. Non-Institutions	Not Applicable							
a) Bodies Corp. (Market Maker + LLP)								
i) I Indian								
ii) Overseas								



b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh								
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh								
c) Others (specify)								
i) Non Resident Indians								
ii) Non Resident Indians - Non Repatriable								
iii) Office Bearers								
iv) Directors								
v) HUF								
vi) Overseas Corporate Bodies								
vi) Foreign Nationals								
vii) Clearing Members								
viii) Trusts								
ix) Foreign Bodies - D R								
Sub-total (B)(2):-	-	-	-	-	-	-		
Total Public Shareholding (B) = (B)(1)+ (B)(2)	-	-	-		-	-		
C. Shares held by Custodian for GDRs & ADRs	-	-	-		-	-		
Grand Total (A+B+C)	-	13760000	13760000		11059991	2700009		

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	Shareholding during the year
1	Air India Limited	11060000	80.38	NIL	11060000	80.38%	Nil	Nil
2	President of India	2700000	19.62	NIL	2700000	19.38%	Nil	Nil

C) Change in Promoters' Shareholding (please specify, if there is no change) - No change

Sr No.	Particulars	Shareholding at the beginning of the year	Cumulative Shareholding at end of the year
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	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
Air India Limited	11060000	80.38	11060000	80.38
President of India	2700000	19.62	2700000	19.62
At the end of the year				
Air India Limited	11060000	80.38	11060000	80.38
President of India	2700000	19.62	2700000	19.62

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	NOT APPLICABLE				

E) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding at the end of year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Rajiv Bansal	1	0	1	0
2	Shri Vinod Hejmadi <i>(ceased to be on the Board w.e.f. 11.09.2020)</i>	1	0	1	0
3	Shri Deepak Khullar	1	0	1	0

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Amount in INR				
Indebtedness at the beginning for the financial year	0	0	0	0
i) Principal Amount	0	0	0	0



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year	0	0	0	0
* Addition	0	0	0	0
* Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

Previous figure has been restated as per IND AS. Prior Period items have been given effect in the relevant previous years.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In figures)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission as % of profit others, specify.						
5	Others : (PF, DCS, House Perks tax etc)						
	Total (A)						



	Ceiling as per the Act						
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*There are no Managing, Whole Time Directors in the Company.

B. Remuneration to other directors

Sr No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify (Fees for attending Board Sub Committee Meetings)	-	-	-	-	-	-
	Total(1)	-	-	-	-	-	-
2	Other Non-Executive Directors			-		-	-
	Fee for attending board committee meetings			-		-	-
	Commission			-		-	-
	Others, please specify			-		-	-
	Total (2)			-		-	-
	Total (B)=(1+2)			-		-	-
	Total Managerial Remuneration			-		-	-
	Overall Ceiling as per the Act			-		-	-
				-		-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

(figures in Rs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	974000	-	900000	1874000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-



Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
	- as % of profit	-	-	-	-
	Others, specify.	-	-	-	-
5	Others: (PF, DCS, House Perks tax etc)	-	-	-	-
	Total	974000	-	900000	1874000

* Not applicable to Government Companies. Only CFO and CS are KMPs.

** The Company Secretary is holding the position in addition to her responsibilities as Consultant, Air India.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY -NIL					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS -NIL					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT -NIL					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HOTEL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Hotel Corporation of India Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 08.12.2020 which supersedes their earlier Audit Report dated 04.08.2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Hotel Corporation of India Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the act.

**For and on the behalf of the Comptroller
& Auditor General of India**

C.M. Sane
Director General of Commercial Audit,
Mumbai

Place : Mumbai
Date : 21 September 2021



INDEPENDENT AUDITOR'S REPORT

To the Members of Hotel Corporation of India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Hotel Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), (statement of changes in equity) and statement of Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Financial Statements).

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Financial Statement give the information (other than certain information mentioned in Emphasis of Matters) required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2021, its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

The Company has incurred a net loss of Rs. 9661.92 lakhs during the year ended March 31, 2021 and, as of that date, the Company's current liabilities exceeds its total assets by Rs. 43920.04 lakhs and it has accumulated losses of Rs. 66720.97 lakhs which has resulted in complete erosion of the net worth of the company. In spite of these events or conditions which may cast a significant doubt on the ability of the company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the continued support of the Holding Company, Government of India and having regards to other facts mentioned in Note 52.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to:

1. The Company is in the process of obtaining confirmation of balances from Trade Receivables, Trade Payables, Loans and Advances, Deposits and Other liabilities. Loans and Advances and Other advances receivable are considered good for recovery though the same are in the process of being reconciled, referred to in Note No. 37(ii).



2. Lease rentals and Turnover levy payable to Airport Authority of India (AAI) are provided in the books of accounts as per the working of the Company and duly reflected in Note No. 15 and 16 respectively to the financial statement, which are subject to confirmation and reconciliations. In view of the dispute between the Company and AAI, interest on account of outstanding payable is not provided but disclosed under the head Contingent Liability in note no. 30(A) (x).
3. Note no. 5 of the financial statement regarding uncertainties relating to recoverability of amount receivable from J & K government in respect of cost sharing arrangements with Shere Kashmir Convention Centre (SKICC) and joint construction amounting to Rs. 1270.04 lakhs and Rs. 417.76 lakhs respectively, total amounting to Rs. 1687.80 lakhs. In the opinion of the management, the said receivables are considered as doubtful advance during the year and accordingly provision is made of Rs. 1687.80 Lakhs during the year. (Refer note no. 32 (a & b)).
4. Note No.5 of the financial statement regarding uncertainties relating to recoverability of other receivables amounting to Rs. 47.97 Lakhs from Airport Authority of India (AAI), which is due since financial year 2009-10. In the opinion of the management, the said receivables are considered as doubtful advances during the year and accordingly provision is made of Rs. 47.97 Lakhs during the year. (Refer note no. 31).
5. Note no. 30(xi) and note no. 33 of financial statements wherein the earlier wage agreement was expired on 31 December, 2006 and the union has submitted Charters of demands. The Company had negotiations between Wage Negotiation Committee of the Management and Co-Ordination Committee of HCI Unions and after receipt of final approval from the Ministry of Civil Aviation, the Memorandum of Understanding dated 08.08.2019 was entered into between the unions and the Company for implementing wage revision for the Unionised category of employees for a period of 10 years effective 18.08.2008. The wage revision was implemented in the financial year 2019-20. The total estimated provision for arrears of wage revision for the unionized category of employees of the company as on 31.3.2021 is Rs.1463.58 lakhs. The Management had announced an interim relief of Rs 5,000/- per month per employee for officers effective from 1 January, 2017 which continues to be paid and has been expensed out in the Statement of Profit and Loss Account amounting to Rs. 575.85 lakhs as on 31.3.2021. As and when wage revision is approved, this amount would be adjusted against arrears payable, if any, for which employee wise details have been maintained separately in the books of accounts. Further, the calculations for arrears payable to employees effective 08.08.2008 are in progress. The management is of the opinion that in case the wages provided is inadequate then the provision for differential liability will be made in the year it is finalised. (Refer note no. 33 & 16)
6. The Company has not complied with certain provision of the Act. As a consequence thereof:
 - a. The Company has not appointed Independent Directors as required under the provisions of Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence, no meeting of the Independent Directors could be held during the Audit Period.
 - b. Since the Company has not appointed Independent Directors, the Company has not complied with the provisions of Section 177(2) and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 as regards the composition of the Audit Committee and the Nomination and Remuneration Committee of the Board.
 - c. The above non compliance was also reported by us in our previous report dated 8th December, 2020 for financial year 2019-20.
7. The Company has internal control system which need strengthening for followings:
 - a. Strengthening the internal audit process so as to ensure adequate coverage of all the areas and ensure effective internal controls at all units of the Company.



- b. Laying down Standard Operating Procedures with regard to timely accounting of all transactions to ensure that proper books of accounts are maintained.(Refer note no. 48 and 49)
 - c. The above non compliance was also reported by us in our previous report dated 8th December, 2020 for financial year 2019-20.
8. Fair value of the financial assets and financial liabilities is arrived based upon best information available or provided by the management. We have relied upon the management information for fair valuation on the absence of other required information.

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	Principal audit procedure performed
<p>Going Concern</p> <p>The company is in loss, net worth is fully eroded, going concern needs to be examined.</p>	<p>i. As per the management projection and clarification, management is of the view that though the company is in a loss but continuous support of holding company as well as the Government of India will ensure the company runs its business as going concern. Also company has signed Service Level Agreements with Air India valid upto 31.03.2024 which ensures that company will be able to run its business as going concern in near future.(Refer note no. 52(iii)).</p> <p>The Company does not have any loan from financial institutions and none of the creditors have applied for insolvency against the Company. These suggests support from holding company will enable going concern on continuous basis. Based upon the above facts and data, we have performed our audit procedure and make opinion accordingly.</p>
<p>Fixed Assets/ Leased Assets</p> <p>The new Accounting Standard suggest capitalisation of lease asset and creating lease liability. Expenses need to be charged as depreciation and finance cost instead of rental expenses.</p>	<p>We have obtained the working of lease assets including amortisation schedule and ensured that the same is in line with applicable Indian Accounting Standards and accurately disclosed in the financial statements.</p>



Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 operation, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**", a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor-General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "**Annexure-B**".
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with provisions of Companies (Indian Accounting Standards) Rules 2015 as amended;
 - e) The Company being a Government Company as defined in Section 2(45) of the Companies Act,



2013, is exempted from applicability of section 164(2) of the Companies Act, 2013 vide circular no. 1/2/2014 –CL.-V dated 5th June, 2015 issued by Ministry of Corporate Affairs.

- 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-C**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.(Refer Note No. 30)
 - ii. The company does not have any long-term contracts including derivatives contracts and hence there are no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S A R A & Associates
Chartered Accountants
Firm Registration No: 120927W**

Sd/-
**Alok Bairagra
Partner
Membership No. 105153
UDIN: 21105153AAAAHC4767**

Place: Mumbai,
Date: 4 August 2021



ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

As referred to in our Independent Auditors 'Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report that:

- i.(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, physical verification of fixed assets was done during the previous year and verified by the management. During the year tagging of the fixed assets is done and matched with the fixed assets register and no material discrepancies was noticed.
- (c) According to the information, explanations and records provided to us, the title deeds of immovable properties are held in the name of the Company except relating to 4 flats in Sher –e- Punjab Society conveyance deed in respect thereof are pending to be executed.
- ii. As explained to us, inventories have been physically verified time to time by Management. In our opinion, the frequency of verification by the management is reasonable and discrepancies which were noticed on physical verification which were material have been properly dealt with in the books of accounts.
- lii The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Act and hence clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations provided to us the Company has not made any loans, investments, guarantees and securities, within the meaning of section 185 and 186 of the Act, and hence clause 3(iv) of the Order is not applicable.
- iv. According to the information and explanations provided to us, the Company has not accepted deposits within the meaning of section 73 to 76 or any other relevant provision of the Companies Act, 2013, and hence clause 3(v) of the Order is not applicable.
- vi. In our opinion and based on the information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act in respect of the Company's products.
- vii (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) Statutory dues which have not been deposited on account of dispute and the forum where dispute is pending are as under:

Name of the Statute	Nature of Dues	Amt in dispute	Period to which the amount relates	Forum where dispute is pending
Luxury Tax	Tax	21.75	2000 – 01	Addl. Commissioner Sales Tax Appeal
	Interest	08.78		
	Penalty	12.97		



Name of the Statute	Nature of Dues	Amt in dispute	Period to which the amount relates	Forum where dispute is pending
Luxury Tax	Less: Paid	65.05	2000 – 01	Addl. Commissioner Sales Tax Appeal
	Total	93.32		
	Penalty	0.08		
	Less: Paid	25.31		
	Total	133.14		
Luxury Tax	Tax	19.84	2002 – 03	Commissioner of Sales Tax Appeal
	Interest	20.76		
	Penalty	1.00		
	Less: Paid	30.32		
	Total	11.28		
Luxury Tax	Tax	06.97	2002 – 03	Commissioner of Sales Tax Appeal
	Penalty	0.14		
	Less: Paid	6.30		
	Total	0.81		
Service Tax	Tax	27.57	July 2012- March 2013	Commissioner of Central Excise Appellate – II
Service Tax	Tax	51.08	2013-14	Commissioner of Central Excise Appellate – II
Service Tax	Tax	60.70	2014-15	Commissioner of Central Excise Appellate – II
Service Tax	Tax	78.30	2015-16	Commissioner of Central Excise Appellate – II
Service Tax	Tax	78.60	2016-17	Commissioner of Central Excise Appellate – II
Service Tax	Tax	6.80	2017-18 (upto June 2017)	Commissioner of Central– Excise Appellate-II
Service Tax	Tax	78.35	2010-11 to 2013-14	Commissioner of Central– Excise Appellate-II
Service Tax	Tax	39.15	2014-15	Commissioner of Central– Excise Appellate-II
Service Tax	Tax	55.17	2015-16	Commissioner of Central– Excise Appellate-II
Service Tax	Tax	104.29	2016-17 & 2017-18	Commissioner of Central– Excise Appellate-II
Provident Fund	Demand	222.88	2012-13 to 2015-16	Provident Fund Tribunal-Delhi
	Interest	59.75		
	Less: Paid	(59.75)		
	Total	222.88		



- viii. Based on our audit procedures and the information and explanations provided to us, the Company did not have any borrowings from financial institution, bank, government and debenture holders. Hence, clause 3(viii) of the Order is not applicable.
- xi. According to the information and explanations given to us, the Company has not raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instrument) and term loans. Hence, clause 3(ix) of the Order is not applicable.
- x. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year and, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on our audit procedures, company being a Government company, in terms of MCA notification G.S.R 463(E) dated 5th June, 2015, the provisions of section 197 of Companies Act, 2013 relating to Managerial remuneration are not applicable to company hence clause 3(xi) of the Order is not applicable.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company and hence clause 3(xii) of the Order is not applicable.
- xii. According to the information and explanations obtained by us:
- (i) The Company has not appointed Independent Directors and hence to that extent the Company has not complied with the provision of section 177 (2) of the Act, which in turn results in non-compliance with section 177(iv) of the Act.
- (ii) The Company has not complied with the provisions of section 188 of the Act. However, details of the related parties have been disclosed in the financial statements which are identified by the Management in terms of IND AS 24 "Related Party Disclosure" and the same are relied upon by us.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations obtained by us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For S A R A & Associates
Chartered Accountants
Firm Registration No: 120927W**

Sd/-

**Alok Bairagra
Partner**

**Membership No. 105153
UDIN: 21105153AAAAHC4767**

Place: Mumbai,
Date: 4 August 2021



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

As referred to in our Independent Auditors 'Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report that :

Based on the information and explanations obtained by us, we furnish our comments on the Directions issued by the Comptroller and Auditor General of India relating to the accounts of the Company for the year ended 31st March, 2021.

1.	Whether the Company has system in place to process all the accounting transaction through IT system? If yes, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be slated.	According to the information, explanations and records provided to us, all accounting transactions of the company are is processed through IT system. Based on our audit procedures, on test basis, wherever the accounting transactions are based on workings outside IT system, no instances of lack of integrity of accounts and no financial implications has been noted / reported.
2.	Whether there is any restructuring of an existing loan or cases of Waiver/Write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated the amount involved.	During the year under review, there were no cases of restructuring of an existing loan waiver/ write off of debts/loans/interest and hence the said clause is not applicable.
3.	Whether fund received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviation.	The Company has not received funds from any central / state agencies during the period under audit.

**For S A R A & Associates
Chartered Accountants
Firm Registration No: 120927W**

Sd/-
**Alok Bairagra
Partner
Membership No. 105153
UDIN: 21105153AAAAHC4767**

Place: Mumbai,
Date: 4 August 2021



ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Hotel Corporation of India Limited ("the Company")** as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to



permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure 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.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2021.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company and our disclaimer does not affect our opinion on the financial statements of the Company.

For S A R A & Associates
Chartered Accountants
Firm Registration No: 120927W

Sd/-
Alok Bairagra
Partner
Membership No. 105153
UDIN: 21105153AAAAHC4767

Place: Mumbai,
Date: 4 August 2021



**MANAGEMENT REPLIES TO THE DRAFT INDEPENDENT AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENT OF HOTEL CORPORATION
OF INDIA LIMITED FOR THE FINANCIAL YEAR 2020-21**

DRAFT AUDITORS' REPORT FOR THE FINANCIAL YEAR 2020-21	MANAGEMENT COMMENTS
<p data-bbox="120 577 878 700">To the Members of Hotel Corporation of India Limited Report on the Audit of the Financial Statements Opinion</p> <p data-bbox="120 728 878 1037">We have audited the financial statements of The Hotel Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), (statement of changes in equity) and statement of Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information</p> <p data-bbox="120 1065 878 1483">(hereinafter referred to as Financial Statements). In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Financial Statement give the information (other than certain information mentioned in Emphasis of Matters) required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2021, its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.</p> <p data-bbox="120 1511 375 1554">Basis for Opinion</p> <p data-bbox="120 1582 878 1994">We concluded our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code</p>	<p data-bbox="878 922 1227 955">This is a statement of fact</p>



of Ethics. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

The Company has incurred a net loss of Rs. 9661.92 lakhs during the year ended March 31, 2021 and, as of that date, the Company's current liabilities exceeds its total assets by Rs. 43920.04 lakhs and it has accumulated losses of Rs. 66720.97 lakhs which has resulted in complete erosion of the net worth of the company. In spite of these events or conditions which may cast a significant doubt on the ability of the company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the continued support of the Holding Company,

Government of India and having regards to other facts mentioned in Note 52.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to:

1. The Company is in the process of obtaining confirmation of balances from Trade Receivables, Trade Payables, Loans and Advances, Deposits and Other liabilities. Loans and Advances and Other advances receivable are considered good for recovery though the same are in the process of being reconciled, referred to in Note No. 37(ii).
2. Lease rentals and Turnover levy payable to Airport Authority of India (AAI) are provided in the books of accounts as per the working of the Company and duly reflected in Note No. 15 and 16 respectively to the financial statement, which are subject to confirmation and reconciliations. In view of the dispute between the Company and AAI, interest on account of outstanding payable is not provided but disclosed under the head Contingent Liability in note no. 30(A) (x).

The Company has already disclosed in note no. 52 that in the opinion of the Management, the Company continues to be a going concern.

In respect of Receivables/Payables, the holding Company and its subsidiaries which form the major parties are completely reconciled. These companies in fact constitute a major portion of the total Receivables and Payables of the company .

The confirmation process for the remaining parties is estimated to

be completed by 31.12.2021

This has been suitably disclosed in note no. 30A x)



<p>3. Note no. 5 of the financial statement regarding uncertainties relating to recoverability of amount receivable from J & K government in respect of cost sharing arrangements with Shere Kashmir Convention Centre (SKICC) and joint construction amounting to Rs. 1270.04 lakhs and</p> <p>Rs. 417.76 lakhs respectively, total amounting to Rs. 1687.80 lakhs. In the opinion of the management, the said receivables are considered as doubtful advance during the year and accordingly provision is made of Rs. 1687.80 Lakhs during the year. (Refer note no. 32 (a & b)).</p>	<p>The matter is being pursued with the SKICC and J&K government. However, as a matter of abundant caution, a Provision for Doubtful Advances has been made in the books of accounts in FY 2020-21 as per Note no. 32 a & b.</p>
<p>4. Note No.5 of the financial statement regarding uncertainties relating to recoverability of other receivables amounting to Rs. 47.97 Lakhs from Airport Authority of India (AAI), which is due since financial year 2009-10. In the opinion of the management, the said receivables are considered as doubtful advances during the year and accordingly provision is made of Rs. 47.97 Lakhs during the year. (Refer note no. 31).</p>	<p>The Company has to settle the dispute between Airports Authority of India(AAI) and the Company relating to lease rentals and turnover levy payable by it to AAI. As and when this matter is discussed, the matter regarding amount receivable from AAI on account of garbage disposal for Chefair Mumbai from 1996-97 to 2009-10 would also be discussed.</p>
<p>5. Note no. 30(xi) and note no. 33 of financial statements wherein the earlier wage agreement was expired on 31 December, 2006 and the union has submitted Charters of demands. The Company had negotiations between Wage Negotiation Committee of the Management and Co-Ordination Committee of HCI Unions and after receipt of final approval from the Ministry of Civil Aviation, the Memorandum of Understanding dated 08.08.2019 was entered into between the unions and the Company for implementing wage revision for the Unionised category of employees for a period of 10 years effective 18.08.2008. The wage revision was implemented in the financial year 2019-20. The total estimated provision for arrears of wage revision for the unionized category of employees of the company as on 31.3.2021 is Rs.1463.58 lakhs. The Management had announced an interim relief of Rs 5,000/- per month per employee for officers effective</p>	<p>However, as a matter of abundant caution, a Provision for Doubtful Advances has been made in the books of accounts in FY 2020-21 as per Note no. 31</p> <p>This has been disclosed in the note no. 7, 16, 18 and 33.</p>



from 1 January, 2017 which continues to be paid and has been expensed out in the Statement of Profit and

Loss Account amounting to Rs. 575.85 lakhs as on 31.3.2021. As and when wage revision is approved, this amount would be adjusted against arrears payable, if any, for which employee wise details have been maintained separately in the books of accounts. Further, the calculations for arrears payable to employees effective 08.08.2008 are in progress. The management is of the opinion that in case the wages provided is inadequate then the provision for differential liability will be made in the year it is finalised. (Refer note no. 33 & 16)

6. The Company has not complied with certain provision of the Act. As a consequence thereof:

a. The Company has not appointed Independent Directors as required under the provisions of Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence, no meeting of the Independent Directors could be held during the Audit Period.

b. Since the Company has not appointed Independent Directors, the Company has not complied with the provisions of Section 177(2) and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 as regards the composition of the Audit Committee and the Nomination and Remuneration Committee of the Board.

c. The above non compliance was also reported by us in our previous report dated 8th December, 2020 for financial year 2019-20.

Hotel Corporation of India Limited (HCI) is a subsidiary of Air India Limited (AIL), a Government Company. As per Article 22 of the Articles of Association of the Company, all the Directors of the Company are appointed by AIL in consultation with Government of India.

HCI had requested Government of India to nominate at least two Independent Directors on its Board and the reply is awaited.

As per the provisions of Section 177(2) the Audit Committee shall consist of a minimum of three Directors with Independent Directors forming a majority.

As required under section 178, the Nomination and Remuneration Committee should consist of 3 or more Non Executive Directors out of which not less than one half should be Independent Directors. Presently there is no Independent Director on the Board of HCI and the matter has been taken up with AIL.



<p>7. The Company has internal control system which need strengthening for followings:</p> <p>a. Strengthening the internal audit process so as to ensure adequate coverage of all the areas and ensure effective internal controls at all units of the Company.</p> <p>b. Laying down Standard Operating Procedures with regard to timely accounting of all transactions to ensure that proper books of accounts are maintained. (Refer note no. 48 and 49)</p> <p>c. The above non compliance was also reported b us in our previous report dated 8th December 2020 for financial year 2019-20.</p> <p>8. Fair value of the financial assets and financia liabilities is arrived based upon best information available or provided by the management. W have relied upon the management information fo fair valuation on the absence of other required information.</p> <p>Our opinion is not modified in respect of abov matters.</p> <p>Key Audit Matters</p> <p>Key audit matters are those matters that, in ou professional judgment, were of most significance in our audit of the financial statements of the curren period. These matters were addressed in the contex of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do no provide a separate opinion on these matters. In addition to the matter described in the Materia Uncertainty Related to Going Concern section, w have determined the matters described below to b the key audit matters to be communicated in ou report:</p>	<p>External Internal Auditors are appointed to strengthen and enhance the scope of Internal audit in several areas of the company’s business. With the assistance of these auditors the company intends to strengthen the scope and coverage of internal audit commensurate with the size and nature of the company’s business.</p> <p>Efforts would be made to comply with the observations of auditors</p> <p>Efforts would be made to comply with the observations of auditors</p> <p>This is a Statement of fact</p> <p>This is a Statement of fact</p>
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Key Audit Matters	Principal audit procedure performed
<p>Going Concern</p> <p>The company is in loss, net worth is fully eroded, going concern needs to be examined.</p>	<p>i. As per the management projection and clarification, management is of the view that though the company is in a loss but continuous support of holding company as well as the Government of India will ensure the company runs its business as going concern. Also company has signed Service Level Agreements with Air India</p> <p>valid upto 31.03.2024 which ensures that company will be able to run its business as going concern in near future. (Refer note no. 52(iii)).</p> <p>The Company does not have any loan from financial institutions and none of the creditors have applied for insolvency against the Company. These suggests support from holding company will enable going concern on continuous basis. Based upon the above facts and data, we have performed our audit procedure and make opinion accordingly.</p>
<p>Fixed Assets/ Leased Assets The new Accounting Standard suggest capitalisation of lease asset and creating lease liability.</p> <p>Expenses need to be charged as depreciation and finance cost instead of rental expenses.</p>	<p>We have obtained the working of lease assets including amortisation schedule and ensured that the same is in line with applicable Indian Accounting Standards and accurately disclosed in the financial statements.</p>



Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 operation, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the

Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,



they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor-General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "Annexure-B".
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with provisions of Companies (Indian Accounting Standards) Rules 2015 as amended;
 - e) The Company being a Government Company as defined in Section 2(45) of the Companies Act, 2013, is exempted from applicability of section 164(2) of the Companies Act, 2013 vide circular no. 1/2/2014 -CL.-V dated 5th June, 2015 issued by Ministry of Corporate Affairs.
 - 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-C".



<p>g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> <ul style="list-style-type: none">i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.(Refer Note No. 30)ii. The company does not have any long-term contracts including derivatives contracts and hence there are no material foreseeable losses.iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. <p>Annexure-A to the Independent Auditors’ Report</p> <p>As referred to in our Independent Auditors ‘Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report that:</p> <ul style="list-style-type: none">i.(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;(b) As explained to us, physical verification of fixed assets was done during the previous year and verified by the management. During the year tagging of the fixed assets is done and matched with the fixed assets register and no material discrepancies was noticed.(c) According to the information, explanations and records provided to us, the title deeds of immovable properties are held in the name of the Company except relating to 4 flats in Sher –e- Punjab Society conveyance deed in respect thereof are pending to be executed.ii. As explained to us, inventories have been physically verified time to time by Management. In our opinion, the frequency of verification by the management is reasonable and discrepancies which were noticed on physical verification which were material have been properly dealt with in the books of accounts.iii The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Act and hence clause 3(iii) of the Order is not applicable.	<p>This is a statement of fact</p>



- iv. According to the information and explanations provided to us the Company has not made any loans, investments, guarantees and securities, within the meaning of section 185 and 186 of the Act, and hence clause 3(iv) of the Order is not applicable.
- iv. According to the information and explanations provided to us, the Company has not accepted deposits within the meaning of section 73 to 76 or any other relevant provision of the Companies Act, 2013, and hence clause 3(v) of the Order is not applicable.
- vi. In our opinion and based on the information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act in respect of the Company’s products.
- vii (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) Statutory dues which have not been deposited on account of dispute and the forum where dispute is pending are as under:

Name of the Statute	Nature of Dues	Amount in dispute (Rs)	Period to which the amount relates	Forum where dispute is pending
Luxury Tax	Tax	21.75	2000 – 01	Addl. Commissioner Sales Tax Appeal
	Less Paid	08.78		
	Total	12.97		



Name of the Statute	Nature of Dues	Amount in dispute (Rs)	Period to which the amount relates	Forum where dispute is pending
Luxury Tax	Tax	65.05	2000 – 01	Addl Commissioner Sales Tax Appeal
	Interest	93.32		
	Penalty	0.08		
	Less: paid	25.31		
	Total	133.14		
Luxury Tax	Tax	19.84	2002 – 03	Commissioner of Sales Tax Appeal
	Interest	20.76		
	Penalty	1.00		
	Less Paid	30.32		
	Total	11.28		
Luxury Tax	Tax	06.97	2002 – 03	Commissioner of Sales Tax Appeal
	Penalty	0.14		
	Less Paid	6.30		
	Total	0.81		
Service Tax	Tax	27.57	July 2012- March 2013	Commissioner of Central- Excise Appellate-II
Service Tax	Tax	51.08	2013-14	Commissioner of Central- Excise Appellate-II
Service Tax	Tax	60.70	2014- 15	Commissioner of Central- Excise Appellate-II
Service Tax	Tax	78.30	2015- 16	Commissioner of Central- Excise Appellate-II
Service Tax	Tax	78.60	2016- 17	Commissioner of Central- Excise Appellate-II



Service Tax	Tax	6.80	2017-18 (upto June 2017)	Commissioner of Central-Excise Appellate-II
Service Tax	Tax	78.35	2010-11 to 201314	Commissioner of Central-Excise Appellate-II
Service Tax	Tax	39.15	2014-15	Commissioner of Central-Excise Appellate-II
Service Tax	Tax	55.17	2015-16	Commissioner of Central-Excise Appellate-II
Service Tax	Tax	104.29	2016-17 & 201718	Commissioner of Central-Excise Appellate-II
Provident Fund	Demand	222.88	2012-13 to 201516	Provident Fund Tribunal-Delhi
Provident Fund	Interest	59.75		
	Less: Paid	(59.75)		
	Total	222.88		

Based on our audit procedures and the information and explanations provided to us, the Company did not have any borrowings from financial institution, bank, government and debenture holders. Hence, clause 3(viii) of the Order is not applicable.

- ii. According to the information and explanations given to us, the Company has not raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instrument) and term loans. Hence, clause 3(ix) of the Order is not applicable.
- iii. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by



the Company has been noticed or reported during the year and, nor have we been informed of such case by the management.

- iv. According to the information and explanations given to us and based on our audit procedures, company being a Government company, in terms of MCA notification G.S.R 463(E) dated 5th June, 2015, the provisions of section 197 of Companies Act, 2013 relating to Managerial remuneration are not applicable to company hence clause 3(xi) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company is not a Nidhi Company and hence clause 3(xii) of the Order is not applicable.
- vi. According to the information and explanations obtained by us:
 - (i) The Company has not appointed Independent Directors and hence to that extent the Company has not complied with the provision of section 177 (2) of the Act, which in turn results in non-compliance with section 177(iv) of the Act.
 - (ii) The Company has not complied with the provisions of section 188 of the Act. However, details of the related parties have been disclosed in the financial statements which are identified by the Management in terms of IND AS 24 "Related Party Disclosure" and the same are relied upon by us.
- vii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- viii. According to the information and explanations obtained by us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable.
- ix. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



Annexure - B to the Independent Auditors' Report

As referred to in our Independent Auditors 'Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report that :

Based on the information and explanations obtained by us, we furnish our comments on the Directions issued by the Comptroller and Auditor General of India relating to the accounts of the Company for the year ended 31st March, 2021.

This is a statement of fact

1. Whether the Company has system in place to process all the accounting transaction through IT system? If yes, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be slated.	According to the information, explanations and records provided to us, all accounting transactions of the company are is processed through IT system. Based on our audit procedures, on test basis, wherever the accounting transactions are based on workings outside IT system, no instances of lack of integrity of accounts and no financial implications has been noted / reported.
2. Whether there is any restructuring of an existing loan or cases of Waiver/ Write off of debts/ loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated the amount involved.	During the year under review, there were no cases of restructuring of an existing loan waiver/write off of debts/ loans/inter est and hence the said clause is not applicable.



<p>3. Whether fund received / receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviation.</p>	<p>The Company has not received funds from any central / state agencies during the period under audit.</p>
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Annexure - C to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hotel Corporation of India Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the 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 India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal

This is a statement of fact



Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting. **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure 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.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2021.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company and our disclaimer does not affect our opinion on the financial statements of the Company.



BALANCE SHEET AS AT 31st MARCH, 2021

(Rs. In lakhs)

Particulars		Note	Year ending 31st March 2021	Year ending 31st March 2020
ASSETS :				
1	Non-current Assets			
	(i) Property, Plant & Equipment	3A	1,968.50	2,064.10
	(ii) Intangible Assets	3B	-	-
	(iii) Capital Work-in-Progress	3C	-	24.37
	(iv) Right to Use an Asset	4	2,939.57	3,053.58
	(v) Financial assets:			
	a) Other Financial Assets	5	-	-
	(vi) Income Tax Assets (Net)	6	-	-
	(vii) Other Non-Current Assets	7	177.37	176.73
			5,085.44	5,318.78
2	Current Assets			
	(i) Inventories	8	118.88	141.94
	(ii) Financial assets:			
	a) Trade Receivables	9	3,380.92	4,517.56
	b) Cash and Cash equivalents	10	370.26	628.21
	c) Bank balances other than (b) above	11	802.93	635.61
	d) Other Financial Assets	5	289.34	2,015.30
	(iii) Income Tax Assets (Net)	6	934.11	1,379.16
	(iv) Other Current Assets	7	941.65	883.20
	Total Assets		11,923.54	15,519.76
EQUITY AND LIABILITIES :				
1	Equity			
	a) Equity Share Capital	12	13,760.00	13,760.00
	b) Other Equity	13	(66,720.97)	(57,059.05)
2	Liabilities :			
	(i) Non-current Liabilities			
	a) Financial Liabilities			
	i) Borrowings	14	-	-
	ii) Long Term Lease Liability	15	3,692.87	3,584.64
	iii) Other Financial Liabilities	16	-	-
	b) Provisions	17	5,348.06	5,621.05
	c) Other Non-current Liabilities	18	-	-
	(ii) Current Liabilities			
	a) Financial Liabilities			
	i) Borrowings	14	43,928.87	37,964.36
	ii) Short Term Lease Liability	15	305.04	-
	iii) Trade Payables			
	a) MSME	19	122.38	66.14
	b) Other Trade Payables	19	394.32	429.99
	iv) Other Financial Liabilities	16	8,641.43	8,391.49
	b) Provisions	17	1,014.31	981.61
	c) Other Current Liabilities	18	1,437.23	1,779.53
	Total Equity & Liabilities		11,923.54	15,519.76
	Significant accounting policies	2		

The accompanying notes 1 to 27 form an integral part of the financials.

As per our report of even date

For S A R A & ASSOCIATES

Chartered Accountants

Firm Registration No. 0120927W

Sd/-

(Alok Bairagra)

Partner

Membership No: 105153

Place : Mumbai

Date : 4 August 2021

UDIN: 21105153AAAAHC4767

For and on behalf of the Board of Directors

Sd/-

(Rajiv Bansal)

Chairman

DIN 00245460

Sd/-

(Thrity C Dalal)

Chief Financial Officer

FCA 034616

Sd/-

(Vimalendra A. Patwardhan)

Director

DIN 08701559

Sd/-

(Shyamala P Kunder)

Company Secretary

ACS 8203

Place : New Delhi

Date : 4 August 2021



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

(Rs. In lakhs)

Particulars	Notes	31-Mar-21	31-Mar-20
Continuing operations			
INCOME			
Revenue from operations	20	2,252.84	5,956.64
Revenue from operations		2,252.84	5,956.64
Other income	21	243.20	805.89
		243.20	805.89
Total revenue		2,496.04	6,762.53
EXPENSES			
Cost of raw material consumed	22	431.44	1,382.10
Employee Benefits	23	4,430.56	5,731.76
Finance Cost	24	3,818.12	2,873.66
Depreciation / Amortisation Expenses	3 & 4	440.89	495.29
Provision for Doubtful Advances	25	1,736.23	-
Other Expenses	26	1,375.98	1,834.53
Total Expenses		12,233.22	12,317.34
Loss before Tax		(9,737.18)	(5,554.81)
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Add (Less)- Short (Excess) Provision of Earlier Years		-	-
Profit/(Loss) for the year		(9,737.18)	(5,554.81)
Other Comprehensive Income			
a. Items that will not be classified to Profit & Loss			
i. Remeasurement Gain / (Loss) on Defined Benefit Obligation	27	75.26	(999.89)
Total Comprehensive Income for the year		(9,661.92)	(6,554.70)
Earning per Equity Share			
Basic	39	(70.22)	(47.64)
Diluted	39	(70.22)	(47.64)
Significant accounting policies	2		

As per our report of even date

For S A R A & ASSOCIATES

Chartered Accountants

Firm Registration No. 0120927W

Sd/-

(Alok Bairagra)

Partner

Membership No: 105153

Place : Mumbai

Date : 4 August 2021

UDIN: 21105153AAAHC4767

For and on behalf of the Board of Directors

Sd/-

(Rajiv Bansal)

Chairman

DIN 00245460

Sd/-

(Thrity C Dalal)

Chief Financial Officer

FCA 034616

Sd/-

(Vimalendra A. Patwardhan)

Director

DIN 08701559

Sd/-

(Shyamala P Kunder)

Company Secretary

ACS 8203

Place : New Delhi

Date : 4 August 2021

**STATEMENT OF CHANGES IN EQUITY****(A) Equity Share Capital**

	No. of shares	(Rs. In lakhs)
As at 1st April, 2019	13,760,000	13,760.00
Change in equity share capital during the year		-
As at 31st March, 2020	13,760,000	13,760.00
Change in equity share capital during the year		-
As at 31st March, 2021	13,760,000	13,760.00

(B) Other Equity**(Rs. In lakhs)**

Particulars	General Reserve	General Reserve Amalgamation	Retained Earnings	Total
Balance as at 1 April 2019	-	-	(50,504.35)	(50,504.35)
Loss for the year	-	-	(5,554.81)	(5,554.81)
Other comprehensive income (net of tax)	-	-	(999.89)	(999.89)
Balance as at 31st March, 2020	-	-	(57,059.05)	(57,059.05)

Particulars	General Reserve	General Reserve Amalgamation	Retained Earnings	Total
Balance as at 1 April 2020	-	-	(57,059.05)	(57,059.05)
Loss for the year	-	-	(9,737.18)	(9,737.18)
Other comprehensive income (net of tax)	-	-	75.26	75.26
Balance as at 31st March, 2021	-	-	(66,720.97)	(66,720.97)

As per our report of even date

For S A R A & ASSOCIATES

Chartered Accountants

Firm Registration No. 0120927W

Sd/-

(Alok Bairagra)

Partner

Membership No: 105153

Place : Mumbai

Date : 4 August 2021

UDIN: 21105153AAAHC4767

For and on behalf of the Board of Directors

Sd/-

(Rajiv Bansal)

Chairman

DIN 00245460

Sd/-

(Thrity C Dalal)

Chief Financial Officer

FCA 034616

Sd/-

(Vimalendra A. Patwardhan)

Director

DIN 08701559

Sd/-

(Shyamala P Kunder)

Company Secretary

ACS 8203

Place : New Delhi

Date : 4 August 2021



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the Year	(9,737.18)	(5,554.81)
Adjustment for		
Depreciation (Net)	440.89	495.29
Adjustment in Other Equity and Other Comprehensive Income	75.26	(999.89)
Finance Cost	3,818.12	2,873.66
Loss/(Profit) on Sale of Fixed Assets	(10.00)	-
Provision for Doubtful Advances	1,736.23	-
Interest Income	(94.35)	(433.33)
Operating loss before working capital changes	(3,771.04)	(3,619.08)
Movement in working capital:		
(Increase)/Decrease in Trade and Other Receivables	899.98	(1,469.17)
(Increase)/Decrease in Inventories	23.06	59.43
Increase/(Decrease) in Trade and Other Payables	(312.09)	1,293.82
Cash generated from operations	(3,160.09)	(3,735.00)
Less : Taxes paid / (Refunded)	(445.16)	(422.43)
Net cash generated/(used in) from operating activities - (A)	(2,714.93)	(3,312.55)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Additions)/ Sale of Fixed Assets / CWIP	(70.81)	(2.75)
Additions (Right to Use an Asset)	(162.32)	(3,330.52)
Sale of Fixed Assets/CWIP	36.09	-
Interest Received	94.35	433.33
Net cash generated/(used in) from investing activities - (B)	(102.69)	(2,899.94)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(3,818.12)	(2,873.66)
Increase/(Decrease) in Short Term Lease Liability	305.04	-
Increase/(Decrease) in Long Term Lease Liability	108.23	3,584.64
Borrowings from Holding Company	5,964.51	4,973.84
Net cash from financing activities - (C)	2,559.66	5,684.82
Net increase/ (decrease) in cash or cash equivalents - (A+B+C)	(257.96)	(527.68)
Cash and bank balance as at beginning of the year	628.21	1,155.90
Cash and bank balance at the end of the year	370.26	628.22
Earmarked balances with banks	0.18	1.23
Cash and cash equivalents as at the end of the year	370.08	626.98
	370.26	628.21
The Cash flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7- 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India and presents cash flows from operating, investing and financing activities		

As per our report of even date

For S A R A & ASSOCIATES

Chartered Accountants
Firm Registration No. 0120927W

Sd/-
(Alok Bairagra)
Partner
Membership No: 105153

Place : Mumbai
Date : 4 August 2021
UDIN: 21105153AAAHC4767

For and on behalf of the Board of Directors

Sd/-
(Rajiv Bansal)
Chairman
DIN 00245460

Sd/-
(Thrity C Dalal)
Chief Financial Officer
FCA 034616

Place : New Delhi
Date : 4 August 2021

Sd/-
(Vimalendra A. Patwardhan)
Director
DIN 08701559

Sd/-
(Shyamala P Kunder)
Company Secretary
ACS 8203



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Rupees in lakhs except otherwise stated)

NOTE 1: CORPORATE INFORMATION

Hotel Corporation of India Limited, (a Government of India Company) is a company incorporated in India, registered under the provisions of Companies Act. The Company is primarily engaged in the business of owning, operating & managing Hotels and Flight Caterings. It is a subsidiary of "Air India Limited" (AIL). The registered office of the Company is situated at Transport Annexe Building, Old Airport, Air India Complex, Kalina, Santacruz East, Mumbai 400029.

NOTE 2: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The financial statements have been prepared on the following basis:

i. Basis of Preparation and Compliance with IND AS

For all period upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP) and complied with the accounting standard (previous GAAP) as notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 as amended to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification, dated February 16, 2015, issued by the Ministry of Corporate Affairs, the company has adopted Indian Accounting Standards (Ind AS) notified under section 133 read with Rule 4A of the Companies (Indian Accounting Standards) Rules 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 the Company is required to prepare its financial statements in accordance with Ind AS for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") were the first financial statements the Company has prepared in accordance with Ind AS and financial statements for the year ended March 31st 2021 is also prepared on the same basis.

ii. Basis of measurement:

Financial statements have been prepared on the historical cost and on accrual basis except for certain financial assets and liabilities which are measured at fair value or amortized cost at the end of each financial year.

iii. Critical accounting estimates /judgments:

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates where necessary are recognized prospectively.

Significant areas of estimation and judgments (as stated in the respective Accounting Policies) that have the most significant effect on the Financial statements are as follows:

- a) Impairment of Assets.
- b) Measurement of useful life and residual values of property, plant and equipment and the



assessment as to which components of the cost may be capitalized.

- c) Basis of classification of Non-Current Assets held for sale.
- d) Recognition of Deferred Tax Assets.
- e) Recognition and measurement of defined benefit obligations.
- f) Judgment required to ascertain lease classification.
- g) Measurement of Fair Values and Expected Credit Loss (ECL).
- h) Judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

iv. Operating cycle & Classification of Current & Non-Current:

Presentation of assets and liabilities in the financial statement has been made based on current / non-current classification provided under the Companies Act 2013. The Company being in service sector, there is no specific operating cycle; however, 12 months period has been adopted as “the Operating Cycle” in-terms of the provisions of Schedule III to the Companies Act 2013. Accordingly, current liabilities and current assets include the current portion of non-current financial liabilities and assets.

v. Estimation uncertainty relating to the global health pandemic on COVID-19:

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operation and revenue during the year were also impacted due to COVID-19. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the business of the Company. This has resulted in low occupancies of our hotels at Delhi and Srinagar and flight kitchens at Mumbai and Delhi. With the lifting of the partial lockdown restrictions, the Company has re-opened the hotels in the non-containment zones, after establishing thorough and well-rehearsed safety protocols. The Company expects the hotels to become fully operational after the lockdown is lifted completely and the confidence of travelers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted. The Company has assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, and demand for its services.

Various steps have been initiated by the Company. The Company does not foresee any disruption in raw material supplies. The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right-of-use assets, intangible assets, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

vi. Significant Accounting Policies:

A. Inventories(IND AS – 2)

Inventories primarily consist of soft furnishing (linen), cutlery / crockery and stores and spares. Cost of inventories comprise all costs of purchase after deducting non-refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition and is determined on weighted average basis.



Inventories are valued at lower of cost and Net Realisable Value (NRV) Expendables & Consumables are charged off at the time of initial issue, except those meant for repairs of repairable items which are expensed off when the work order is closed on completion of repair work.

Soft furnishing (linen) and Stores & Supplies (cutlery & crockery) are being valued at lower of cost or NRV and written off to the Statement of Profit and Loss as and when issued for consumption.

B. Cash Flow Statement (IND AS-7)

Cash flows are reported using indirect method as set out in Ind AS-7 “Statement of CashFlows” whereby profit/(loss) before tax is adjusted for the effect of transactions of non cash nature and any deferrals or accruals of past or future cash receipt to payments. The Cash flow from operating, investing and financing activities of the company is segregated based on available information.

C. Taxation (IND AS - 12)

Current Income Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply to the period when the assets are realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

D. Property, Plant and Equipment: (PPE) (IND AS - 16)

i. Property, Plant and Equipment

Property, plant and equipment are carrying at deemed cost from the date of transition.

The initial cost of property, plant and equipment comprises its purchase price, including non



refundable duties and taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of expected cost for decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charges to the statement of profit and loss in the period in which the costs are incurred. Major overhaul expenditure is capitalized if the recognition criteria are met.

Gains and losses on disposal of an item of property, plant and equipment are determined by deducting the proceeds of disposal from the carrying amount of property, plant and equipment and are recognized net within other income/other expenditure in statement of profit and loss.

The residual value, useful lives and method of depreciation of property, plant and equipments are reviewed at each financial year end and adjusted prospectively, if appropriate.

Further physical verification of Assets is done on a rotational basis so that every asset is verified in every two years and the discrepancies observed in the course of the verification adjusted in the year in which report is submitted and finalized.

ii. Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when the asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

iii. Depreciation / Amortization:

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is provided on straight-line method over the useful life of the Property, plant and equipment as prescribed in the Schedule II of the Companies Act 2013 (except as otherwise stated), keeping a residual value of 5% of the original cost. Depreciation method, useful life and residual values are reviewed by the Management at each year end.

Cost incurred on major renovation/refurbishment, modernization/conversion are depreciated over the useful life and / or period of lease as the case may be.

Kitchen utensils purchased for the first time for a new unit are written off equally in four years. Any additions in the subsequent years are written off in the year of purchase.

Carpets purchased initially for a new unit/major renovation are capitalized as Fixed Assets in the year of purchase and depreciated on the Straight Line Method as specified in Para d above. Carpets purchased in the subsequent years are being written off as Soft furnishings in the year of purchase.

Heavy curtains are written off in the year of issue.

E. Employee Retirement Benefits(IND AS - 19)

The Retirement Benefits to the employees comprise of “Defined Contribution Plans” and “Defined Benefit Plans”.

- a) Defined Contribution Plans consist of contributions to Employees Provident Fund and Employees State Insurance Scheme. PF and ESI dues are regularly deposited with government authorities.



- b) Defined Benefit Plans which are not funded, consist of Gratuity, and Post Retirement Medical Benefits and other benefits. The liability for these benefits is actuarially determined under the Projected Unit Credit Method at the yearend as per Indian Laws.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in "Other Equity" in the "Statement of Changes in Equity" and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognized immediately in Statement of Profit and Loss as past service cost.

- c) Other Long-Term Employee Benefits in the form of Leave Encashment are accounted as other long-term employee benefits. The Company's net obligation in respect of Leave Encashment is the amount of benefit to be settled in future that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognized in Statement of Profit and Loss in the period in which they arise.

- d) Short Term Benefits :

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

F. Foreign Currency Transactions(IND AS - 21)

The management has determined the currency of the primary economic environment in which the company operates i.e. functional currency, to be Indian Rupees (Rs). The financial statements are presented in Indian Rupees, which is company's functional and presentation currency.

Foreign Currency Monetary Items:

- i) Foreign currency Revenue and Expenditure transactions relating to Foreign Stations are recorded at established monthly rates (based on published IATA rates). Interline settlement with Airlines for transportation is carried out at the exchange rate published by IATA for respective month.
- ii) Foreign currency monetary items are translated using the exchange rate circulated by Foreign Exchange Dealers Association of India (FEDAI). Gains/ (losses) arising on account of realization/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognized in the Statement of Profit and Loss.
- iii) In respect of long term foreign currency monetary items originating before 1st April, 2016, the effect of exchange differences arising on settlement or reporting of long term monetary items at the rates different from those at which they were initially recorded during the period, or reported in previous financial statements, is accounted as addition or deduction to the cost of the assets so far as it relates to acquisition of depreciable capital assets and is depreciated over the balance useful life of the concerned asset and in other cases such difference is accumulated by transfer to "Foreign Currency Monetary Items Translation Difference Account" to be amortized over the balance period of such long term Assets or Liability.

Exchange variation is not considered at the year-end in respect of Debts and Loans &



Advances for which doubtful provision exists since they are not expected to be realized.

G. Borrowing Cost: (IND AS - 23)

Borrowing cost that are directly attributable to acquisition, construction of qualifying assets including capital work-in-progress are capitalized, as part of the cost of assets, up to the date of commencement of commercial use of the assets.

H. Earnings Per Share (IND AS - 33)

The Company presents basic and diluted earnings/ (loss) per share (EPS) data for its equity shares. Basic earnings per equity share are computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

I. Impairment of Assets(IND AS – 36)

Assets that are subject to amortisation are reviewed for impairment periodically including whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

The Company assesses at each Balance Sheet date whether there is any indication that carrying amount of its non-financial asset has been impaired. If any such indication exists, the provision for impairment is made in accordance with IND AS-36.

J. Provisions, Contingent Liabilities / Capital Commitments & Contingent Assets (IND AS - 37)

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that there will be an outflow of resources. 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss.

Contingent liabilities are disclosed by way of a note in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.



Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent asset is disclosed, when an inflow of economic benefits is probable.

K. Non- Current Assets Held For Sale(IND AS - 105)

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale in its present condition than through continuing use. The net book value of such assets, are transferred from the block of fixed assets to “Assets held for Sale” at lower of the carrying value or Fair Value less cost to sell. No depreciation is provided, once the assets is transferred to Assets Held for Sale.

L. Intangible Assets(IND AS – 38)

Intangible assets acquired are measured on initial recognition at cost; following initial recognition intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. The useful lives of intangible assets is assessed for five years. Specialized systems software acquired outright and license fee paid for such patented software are capitalized.

The costs relating to annual license fees, development, updation, implementation and maintenance of computer software are charged to revenue account.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the assets recognized as income or expenses in the Statement of profit and loss when the asset is derecognized.

M. Financial Instruments(IND AS – 109)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

(i) Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(ii) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Subsequent measurement

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

(a) Financial assets carried at amortized cost: A financial asset other than derivatives and specific investments, is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income: A financial asset



comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- (c) Financial assets at fair value through Statement of Profit and Loss: A financial asset comprising derivatives which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- (iv) De-recognition

A financial asset is primarily derecognized 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

- (v) Impairment of other financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables etc.

- (vi) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

b. Financial Liabilities

- (i) **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

- (ii) **Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

- (iii) **Subsequent measurement**

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

- a) Financial liabilities at amortized cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains



and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

b) Financial liabilities at fair value through Statement of Profit and Loss:

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

(iv) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(v) Offsetting of financial instruments

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

N. Fair Value Measurement (IND AS - 113)

The Company measures financial instruments and specific investments (other than subsidiary, joint venture and associates), at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as below, 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 recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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



O. Revenue Recognition (IND AS –115)

Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Income from operations

- a) Rooms, Food and Beverage & Banquets: Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognized once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer. Credit notes received from vendors are recognized on acceptance of claim/receipt of credit note.
- b) Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short terms in nature. Revenue is recognized in the period in which services are being rendered.
- c) Other allied services : In relation to laundry income, communication income, health, club income and other allied services, the revenue has been recognized by reference to the time of service rendered. Gain or loss arising out of sale/scrap of PPE over the net depreciated value is taken to Statement of Profit & Loss as Non-Operating Revenue or Expenses.
- d) Other Items:
 - i) Scrap Sales, reimbursement to employees towards medical, leave pay, claims of interest from suppliers, other staff claims etc., are recognized on cash basis.
 - ii) Liability / claims for amounts payable towards dues are recognized to the extent of claims / invoices received

Contract balance (effective from April 1, 2018)

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customers, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract

i. Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

ii. Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

P. Leases (IND AS - 116)

A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a



period of time in exchange for consideration.

Company as a lessee

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative prices and applies the lease accounting model only to lease components.

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

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option and any lease modification. Payments which are ‘in-substance fixed’ are charged against the lease liability.

Lease liability and Right OfUseAssets have been separately presented in the Balance Sheet and lease payments are presented as follows in the Company’s statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- payments for the interest element of recognised lease liabilities are included in ‘interest paid’ within cash flows from operating activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities

Transition to INDAs 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment



Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, prospectively with the effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the prospective effect of initially applying this standard has been recognised as on April 1, 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

Q. Manufacturer's Credit (Cash & Non Cash Incentives)

Manufacturer's credit entitlements are accounted for on accrual basis and credited to 'Incidental Revenues' by contra debit to 'Advances'; when the credit entitlement are used, the 'advances' are adjusted against the liability created for either acquiring an asset or incurring an expenditure.

R. Cash And Cash Equivalents

Cash and cash equivalents consist of cash at bank and in 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.

S. Recent Accounting Pronouncements

- a. New and amended standards adopted by the Company:

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116 - Leases
- Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));
- Accounting for plan amendment, curtailment or settlement occurring in between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

The Company has changed its accounting policies as a result of adopting Ind AS 116. The company elected to adopt the new standard prospectively with effect from April 1, 2019. This is disclosed in Note 39.

The other amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

- b. New Standards or other amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



NOTE 3A & 3B : PROPERTY PLANT AND EQUIPMENT

(Rs. In lakhs)

Sl. No	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at April 01, 2020	Additions	Deductions / Adjustments	As at 31-Mar-21	As at April 01, 2020	For the year	Deductions/ Adjustments	Total Upto 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
TANGIBLE ASSETS :											
1	LAND (LEASEHOLD)	16.75	-	-	16.75	1.10	0.28	-	1.38	15.38	15.65
2	BUILDING & OWNERSHIP FLATS	3,248.69	12.97	(0.00)	3,261.65	1,631.28	98.60	0.00	1,729.87	1,531.78	1,617.41
3	PLANT & MACHINERY	554.12	19.76	0.00	573.87	311.47	36.96	(0.00)	348.43	225.44	242.64
4	FURNITURE & FIXTURES	39.14	-	-	39.14	27.46	1.47	0.00	28.94	10.20	11.67
5	OFFICE EQUIP, ELECTL INSTALLATIONS ETC.	332.81	4.15	0.00	336.96	242.77	10.94	(0.00)	253.71	83.25	90.04
6	VEHICLES	141.20	31.62	(45.16)	127.66	55.60	16.21	(43.32)	28.48	99.18	85.60
7	OBJECT D'ART.	0.00	-	0.01	0.01	-	-	-	-	0.01	0.00
8	COMPUTERS	7.20	2.32	-	9.52	6.11	0.13	(0.00)	6.24	3.28	1.08
TOTAL FOR TANGIBLE ASSETS		4,339.90	70.81	(45.15)	4,365.56	2,275.80	164.58	(43.33)	2,397.05	1,968.50	2,064.10
INTANGIBLE ASSETS :											
TOTAL FOR INTANGIBLE ASSETS		-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS		4,339.90	70.81	(45.15)	4,365.56	2,275.80	164.58	(43.33)	2,397.05	1,968.50	2,064.10
Previous Year		4,307.31	29.84	-	4,337.15	549.21	1,508.23	-	2,057.45	2,279.70	3,758.09
NOTE 3C: CAPITAL WORK IN PROGRESS											
Capital Work-in-Progress										-	24.36
GRAND TOTAL		4,339.90	70.81	(45.15)	4,365.56	2,275.80	164.58	(43.33)	2,397.05	1,968.50	

NOTE 4 - RIGHT TO USE AN ASSET

(Rs. In lakhs)

Particulars	Leasehold Land	Total
Cost		
Balance as at April 1st, 2019	-	-
- Other Acquisitions	3330.52	3330.52
Balance as at March 31st, 2020	3,330.52	3,330.52
- Other Acquisitions	162.32	162.32
Transition Impact of IND 116	0.00	0.00
Balance as at March 31st, 2021	3,492.84	3,492.84
Amortisation and Impairment		
Balance as at April 1st, 2019	-	-
- Amortisation charge for the year	276.94	276.94
Transition Impact of IND 116	0.00	0.00
Balance as at March 31st, 2020	276.94	276.94
- Amortisation charge for the year	276.33	276.33
Transition Impact of IND 116		
Balance as at March 31st, 2021	553.27	553.27
Carrying Value		
At March 31, 2019	-	-
At March 31, 2020	3,053.58	3,053.58
At March 31, 2021	2,939.57	2,939.57



5. OTHER FINANCIAL ASSETS

(Rs. In lakhs)

Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Advances Recoverable from Parties				
Unsecured Considered Good			134.13	1,750.27
Unsecured Considered Doubtful			1,688.26	-
Less : Provision for Doubtful Advances			(1,688.26)	-
Advances Recoverable from Employees				
Unsecured Advances Considered Good			44.18	47.13
Unsecured Considered Doubtful			-	-
Less : Allowance for Doubtful Advances			-	-
Deposit-Others (having maturity of more than 12 months)			71.67	47.88
Less : Allowance for Doubtful Deposits			-	-
Interest Accrued on Fixed Deposits			7.97	45.05
Other Non-Trade Receivables				
Unsecured Considered Good			31.39	124.98
Unsecured Considered Doubtful			47.97	-
Less : Allowance for Doubtful Receivables			(47.97)	-
Total	-	-	289.34	2,015.31

6. INCOME TAX ASSETS

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Advance Payment of Income Tax and TDS			934.11	1,379.16
TOTAL	-	-	934.11	1,379.16

7. OTHER NON FINANCIAL ASSETS (Considered Good)

(Rs. In lakhs)

Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Capital Advance	-	-	-	-
Advances other than Capital Advances	-	-	1.98	18.35
Prepaid Expenses	-	-	29.62	28.70
Balance with Govt. Authorities	77.42	77.42	-	-
Deposits with Public Bodies and with Miscellaneous Parties	99.95	99.31	-	-
Advance Against Wage Revision and Interim Relief (Refer note no. 33 a) & b))	-	-	908.98	835.01
Deposits with Suppliers	-	-	1.07	1.14



Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Total	177.37	176.73	941.65	883.20

8. INVENTORIES

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Raw Material/ Food and Beverages	26.96	25.29
Stores	67.31	76.19
Operating Supplies	24.61	40.46
TOTAL	118.88	141.94

9. TRADE RECEIVABLES

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Secured - Considered Good	-	-
Unsecured - Considered Good	3,380.92	4,517.56
Unsecured - Considered Doubtful	88.24	88.24
Trade Receivables having significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
	3,469.16	4,605.80
Less : Allowance for Doubtful Debts	(88.24)	(88.24)
TOTAL	3,380.92	4,517.56

10. CASH AND CASH EQUIVALENTS

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Balances with Banks:		
in Current Accounts	340.82	416.47
in Deposit Accounts (Maturity less than 3 months)	29.26	210.51
Cheques on Hand / in Transit	0.11	0.09
Cash on Hand (As Certified)	0.07	1.14
TOTAL	370.26	628.21

**11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Other Bank Balances		
Margin money deposits	4.42	4.41
Deposits - Others (More than 3 months but Less than 12 Months)	798.51	631.20
TOTAL	802.93	635.61

12. SHARE CAPITAL

(Rs. In lakhs)

	31-Mar-21	31-Mar-20
Authorised Share Capital		
150,00,000 (P.Y. - 150,00,000) Equity Shares of Rs 100/- each	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, subscribed and fully paid-up shares		
1,37,60,000 (P.Y. - 137,60,000) Equity Shares of Rs 100/- each	13,760.00	13,760.00
	13,760.00	13,760.00

12.a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity Shares	31-Mar-21		31-Mar-20	
	Nos	Amount	Nos	Amount
At the beginning of the Year	13,760,000	13,760.00	13,760,000	13,760.00
Issued during the Year	-	-	-	-
As at the end of the Year	13,760,000	13,760.00	13,760,000	13,760.00

The Company has only one class of equity shares having a par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation, Equity Share holders will be entitled to receive the assets of the Company remaining after distribution of all preferential amount, in proportion to the number of shares held by them.

12.b. Shares held by Holding Company and President of India Out of equity shares issued by the Company, shares held by its Holding Company and President of India are as below:

Particulars	31-Mar-21	31-Mar-20
President of India	2,700,000.00	2,700,000.00
Air India Limited (Holding Company) and its nominees	11,060,000.00	11,060,000.00

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

Particulars	31-Mar-21		31-Mar-20	
	Nos	%	Nos	%
President of India	2,700,000	19.62%	2,700,000	19.62%



Particulars	31-Mar-21		31-Mar-20	
	Nos	%	Nos	%
Air India Limited (Holding Company) and its nominees	11,060,000	80.38%	11,060,000	80.38%
TOTAL	13,760,000	100.00%	13,760,000	100.00%

13. OTHER EQUITY

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
a) Retained Earnings		
Balance as per last financial statements	(55,801.49)	(50,246.68)
Loss for the year	(9,737.18)	(5,554.81)
Add/Less: Prior Period Adjustments	-	-
Closing Balance	(65,538.67)	(55,801.49)
b) Other Comprehensive Income		
Balance as per last financial statements	(1,257.56)	(257.67)
Add/Less: Remeasurement of Defined Benefit Obligation	75.26	(999.89)
Closing Balance	(1,182.30)	(1,257.56)
Balance as at the end of the year	(66,720.97)	(57,059.05)

14. BORROWINGS

(Rs. In lakhs)

Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Amount due to Holding Company			43,928.87	37,964.36
TOTAL	-	-	43,928.87	37,964.36

15. LEASE LIABILITY

(Rs. In lakhs)

Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Lease Liability (Refer note no. 38)	3,692.87	3,584.64	305.04	-
TOTAL	3,692.87	3,584.64	305.04	-

16. OTHER FINANCIAL LIABILITIES

(Rs. In lakhs)

Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Lease Rent Payable			6,158.05	6,008.63



Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Retention Money			2.00	2.00
Earnest Money			63.15	57.76
Security Deposits			20.87	13.49
Shop & Other Deposits			316.49	319.49
Payable to Employees			438.87	565.92
Provision for Wage Revision Arrears (Refer note no. 33 a))			1,463.58	1,138.31
Other Accounts Payable			178.42	285.89
TOTAL	-	-	8,641.43	8,391.49

17. PROVISIONS

(Rs. In lakhs)

Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Gratuity	2,242.03	2,576.56	703.71	646.48
Leave Encashment	965.20	989.12	238.35	262.82
Provison for Post Retirement Medical	2,024.93	1,951.17	72.25	72.31
Post Retirement Benefit Scheme Contribution	115.90	104.20	-	-
TOTAL	5,348.06	5,621.05	1,014.31	981.61

18. OTHER LIABILITIES

(Rs. In lakhs)

Particulars	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Statutory Dues			395.37	446.30
Credit Balance in Sundry Debtors / Advance			18.59	16.73
Outstanding Liabilities			0.08	20.22
Provision towards Interim Relief (Refer note no. 33 b))			575.85	843.61
Other Liabilities (Refer Note no. 32 c))			447.34	452.67
TOTAL	-	-	1,437.23	1,779.53

**19. TRADE PAYABLES**

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Total outstanding dues of Micro Enterprises and Small enterprises	122.38	66.14
Total outstanding dues of other than Micro Enterprises and Small Enterprises	394.32	429.99
TOTAL	516.70	496.13

DUES TO MICRO AND SMALL ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

	31-Mar-21	31-Mar-20
a) The principal amount remaining unpaid to any supplier at the end of the year	122.38	66.14
b) Interest due remaining unpaid at the end of the year	-	-

20. REVENUE FROM OPERATIONS

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Revenue from Hotels and Flight Kitchen		
Rooms - Guest Accommodation	971.86	1,968.60
Food, Cigars and Cigarettes	881.24	2,913.09
Other Services	353.13	730.73
License fees for Shops and Offices	46.61	344.21
TOTAL	2,252.84	5,956.64

21. OTHER INCOME

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Interest Income	94.35	433.33
Profit on sale of asset	10.00	-
Excess provision written back	0.69	11.95
Sundry balances written back (Net)	1.84	2.27
Others	136.32	358.33
TOTAL	243.20	805.89

**22. COST OF RAW MATERIALS CONSUMED**

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Food Consumed (Including Cigars and Cigarettes)		
Opening stock	25.29	35.88
Add: Purchases	403.44	1,217.31
Less: Closing stock	(26.96)	(25.29)
	401.77	1,227.89
Beverages Consumed		
Opening Stock	-	-
Add: Purchases	0.58	0.09
Less: Closing stock	-	-
	0.58	0.09
Consumption of Stores and Supplies		
Opening Stock	76.19	119.43
Add: Purchases	20.21	110.88
Less: Closing Stock	(67.31)	(76.19)
	29.09	154.12
Cost of Raw material consumed	431.44	1,382.10

23. EMPLOYEE BENEFITS

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Salaries, Wages , Bonus	3,407.23	4,312.57
Gratuity	302.37	267.43
Leave Encashment	127.44	481.08
Post Retirement Medical Benefit	153.99	159.90
Contribution to Provident Fund and Other Fund	363.51	402.31
Staff Welfare Expenses	76.02	108.47
TOTAL	4,430.56	5,731.76

24. FINANCE COST

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Interest on borrowings from Holding Company	3,519.02	2,607.84
Interest on Statutory Dues	2.73	9.63
Interest on Lease Liability (Refer note no. 38)	294.58	254.12
Interest - Others	1.79	2.07
TOTAL	3,818.12	2,873.66

**25. PROVISION FOR DOUBTFUL ADVANCES**

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Provision for Doubtful Advances	1,736.23	
TOTAL	1,736.23	-

26. OTHER EXPENSES

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20
Power & Fuel	668.94	976.09
Lease Rent	153.19	199.01
Security Charges	136.78	145.81
Repairs & Maintenance:		
Building	27.78	33.40
Plant and Machinery	19.72	40.05
Others	70.66	62.18
Miscellaneous Expenses	47.79	43.90
Travelling & Conveyance:		
Travelling	3.14	5.36
Conveyance	2.06	5.82
Hire charges	0.94	0.22
Vehicle Expenses	8.81	19.30
Soft Furnishing	23.85	39.12
Rates and Taxes	95.28	32.48
Printing and Stationery	7.88	23.83
Legal and Professional Charges	55.63	146.90
Communication costs	8.25	14.86
Insurance	37.24	19.07
Advertisement and Publicity	2.65	0.95
Commission	0.19	1.11
Payment to Auditor (Refer note below)	2.27	2.25
Guest Transportation	2.92	22.84
TOTAL	1,375.98	1,834.53

Note : Payment to Auditor	31-Mar-21	31-Mar-20
For Audit Fees	2.25	2.25
For Reimbursement of expenses	0.02	-
	2.27	2.25

**27. OTHER COMPREHENSIVE INCOME****(Rs. In lakhs)**

Particulars	31-Mar-21	31-Mar-20
Gratuity	25.26	(917.89)
PRMS	50.00	(82.00)
	75.26	(999.89)



Notes forming part of the financial statements for the year ended 31 March 2021
(Rupees in lakhs except if otherwise stated)

28. Employee Benefits

A. Defined Contribution Scheme:

Contributions to Defined Contribution Scheme of Provident Fund and Employee State Insurance are charged to the Statement of Profit & Loss, Rs 363.51 lakhs (Previous Year Rs.402.31 lakhs)

B. Defined Benefit Plan:

Gratuity: Gratuity is payable to all eligible employees of the Company on superannuation, death, or permanent disablement, in terms of the provisions of the Payment of Gratuity Act

C. Privilege Leave Encashment: Privilege Leave Encashment is payable to all eligible employees at the time of retirement upto a maximum of 300 days.

D. Post Retirement Medical Scheme: Post Retirement Medical Scheme is payable to all permanent employees who opt for the scheme at the time of retirement. The reimbursement of medical expenses for self and spouse for their entire lifetime is upto a maximum of Rs 10 lakhs

E. Disclosure as per Ind AS – 19

Sr. No.	Particulars	Gratuity	
		As at 31.03.21	As at 31.03.20
a)	Type of Benefit	Gratuity	Gratuity
	Country	India	India
	Reporting Currency	INR	INR
	Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
	Funding Status	Unfunded	Unfunded
	Starting Period	1-Apr-20	1-Apr-19
	Date of Reporting	31-Mar-21	31-Mar-20
	Period of Reporting	12 Months	12 Months
	Ref ID	504314	412365
b)	<u>Assumptions (Previous Period)</u>		
	Expected Return on Plan Assets	N.A.	N.A.
	Rate of Discounting	6.43%	7.22%
	Rate of Salary Increase	5.00%	5.00%
	Rate of Employee Turnover	2.00%	2.00%
	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate



	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan Assets at the End of the Period	-	-
f)	<u>Amount Recognized in the Balance Sheet</u>		
	(Present Value of Benefit Obligation at the end of the Period)	(2,945.75)	(3,223.04)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/ (Deficit))	(2,945.75)	(3,223.04)
	Net (Liability)/Asset Recognized in the Balance Sheet	(2,945.75)	(3,223.04)
g)	<u>Net Interest Cost for Current Period</u>		
	Present Value of Benefit Obligation at the Beginning of the Period	3,223.04	2,656.00
	(Fair Value of Plan Assets at the Beginning of the Period)	-	-
	Net Liability/(Asset) at the Beginning	3,223.04	2,656.00
	Interest Cost	207.24	191.76
	(Interest Income)	-	-
	Net Interest Cost for Current Period	207.24	191.76
h)	<u>Expenses Recognized in the Statement of Profit or Loss for Current Period</u>		
	Current Service Cost	95.13	75.66
	Net Interest Cost	207.24	191.76
	Past Service Cost	-	-
	(Expected Contributions by the Employees)	-	-
	(Gains)/Losses on Curtailments And Settlements	-	-
	Net Effect of Changes in Foreign Exchange Rates	-	-
	Expenses Recognized	302.37	267.43
i)	<u>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</u>		
	Actuarial (Gains)/Losses on Obligation For the Period	(25.26)	917.89
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	(25.26)	917.89
j)	<u>Balance Sheet Reconciliation</u>		
	Opening Net Liability	3,223.04	2,656.00
	Expenses Recognized in Statement of Profit or Loss	302.37	267.43
	Expenses Recognized in OCI	(25.26)	917.89
	Net Liability/(Asset) Transfer In	-	-
	Net (Liability)/Asset Transfer Out	-	-
	(Benefit Paid Directly by the Employer)	(554.40)	(618.27)
	(Employer's Contribution)	-	-
	Net Liability/(Asset) Recognized in the Balance Sheet	2,945.75	3,223.04
k)	<u>Category of Assets</u>		
	Government of India Assets	-	-



	State Government Securities	-	-
	Special Deposits Scheme	-	-
	Debt Instruments	-	-
	Corporate Bonds	-	-
	Cash and Cash Equivalents	-	-
	Insurance Fund	-	-
	Asset Backed Securities	-	-
	Structured Debt	-	-
	Other	-	-
	Total	-	-
i)	<u>Other Details</u>		
	No of Active Members	533	613
	Per Month Salary For Active Members	189.08	211.14
	Weighted Average Duration of the Projected Benefit Obligation	4	5
	Average Expected Future Service	5	6
	Projected Benefit Obligation	2,945.76	3,223.04
	Expected Contribution in the next year	-	-
m)	Net Interest Cost for Next Year		
	Present Value of Benefit Obligation at the End of the Period	2,945.76	3,223.04
	(Fair Value of Plan Assets at the End of the Period)	-	-
	Net Liability/(Asset) at the End of the Period	2,945.76	3,223.04
	Interest Cost	178.51	207.24
	(Interest Income)	-	-
	Net Interest Cost for Next Year	178.51	207.24
n)	Expenses Recognized in the Statement of Profit or Loss for Next Year		
	Current Service Cost	83.38	95.13
	Net Interest Cost	178.51	207.24
	(Expected Contributions by the Employees)	-	-
	Expenses Recognized	261.89	302.37
o)	Maturity Analysis of the Benefit Payments:		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	703.71	646.48
	2nd Following Year	359.75	290.38
	3rd Following Year	457.10	606.80
	4th Following Year	445.44	440.88
	5th Following Year	354.46	420.44
	Sum of Years 6 To 10	906.70	1,165.80
	Sum of Years 11 and above	448.69	643.47
p)	Sensitivity Analysis		



Projected Benefit Obligation on Current Assumptions	2,945.76	3,223.04
Delta Effect of +1% Change in Rate of Discounting	(91.27)	(112.65)
Delta Effect of -1% Change in Rate of Discounting	98.17	121.71
Delta Effect of +1% Change in Rate of Salary Increase	98.22	122.22
Delta Effect of -1% Change in Rate of Salary Increase	(93.01)	(115.18)
Delta Effect of +1% Change in Rate of Employee Turnover	4.10	7.23
Delta Effect of -1% Change in Rate of Employee Turnover	(4.31)	(7.64)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

II Post Retirement Medical Benefits

Sr. No.	Particulars	Post Retirement Medical Benefits	
		As at 31.03.21	As at 31.03.20
a)	<u>Type of Benefit</u>	<u>Medical</u>	<u>Medical</u>
	Country	India	India
	Reporting Currency	INR	INR
	Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
	Funding Status	Unfunded	Unfunded
	Starting Period	1-Apr-20	1-Apr-19
	Date of Reporting	31-Mar-21	31-Mar-20
	Period of Reporting	12 Months	12 Months
	Reference ID	546747	455514
	<u>b)</u>	<u>Assumptions (Previous Period)</u>	
	Expected Return on Plan Assets	N.A.	N.A.
	Rate of Discounting	6.81%	7.79%
	Medical cost inflation	4.00%	4.00%
	Rate of Employee Turnover	4.00%	2.00%



	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
	Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
c)	<u>Assumptions (Current Period)</u>		
	Expected Return on Plan Assets	N.A.	N.A.
	Rate of Discounting	6.91%	6.83%
	Medical cost inflation	4.00%	4.00%
	Rate of Employee Turnover	2.00%	2.00%
	Mortality Rate During Employment	Indian Assured Lives Mortality(2006-08) Ultimate	Indian Assured Lives Mortality(2006-08) Ultimate
	Mortality Rate After Employment	Indian Individual AMT (2012-2015)	Indian Assured Lives Mortality(2006-08) Ultimate
d)	<u>Table Showing Change in the Present Value of Projected Benefit Obligation</u>		
	Present Value of Benefit Obligation at the Beginning of the Period	2,127.83	1,950.20
	Interest Cost	145.14	152.00
	Current Service Cost	20.69	22.00
	Past Service Cost	-	-
	Liability Transferred In/ Acquisitions	-	-
	(Liability Transferred Out/ Divestments)	-	-
	(Gains)/ Losses on Curtailment	-	-
	(Liabilities Extinguished on Settlement)	-	-
	(Benefit Paid Directly by the Employer)	(30.29)	(78.37)
	(Benefit Paid From the Fund)	-	-
	The Effect Of Changes in Foreign Exchange Rates	-	-
	Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	215.86	-
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(21.00)	222.00
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(245.00)	(140.00)
	Present Value of Benefit Obligation at the End of the Period	2,213.23	2,127.83
e)	<u>Table Showing Change in the Fair Value of Plan Assets</u>		
	Fair Value of Plan Assets at the Beginning of the Period	-	-



	Interest Income	-	-
	Contributions by the Employer	-	-
	Expected Contributions by the Employees	-	-
	Assets Transferred In/Acquisitions	-	-
	(Assets Transferred Out/ Divestments)	-	-
	(Benefit Paid from the Fund)	-	-
	(Assets Distributed on Settlements)	-	-
	Effects of Asset Ceiling	-	-
	The Effect of Changes In Foreign Exchange Rates	-	-
	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan Assets at the End of the Period	-	-
f)	<u>Amount Recognized in the Balance Sheet</u>		
	(Present Value of Benefit Obligation at the end of the Period)	(2,213.23)	(2,128.83)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/ (Deficit))	(2,213.23)	(2,128.83)
	Net (Liability)/Asset Recognized in the Balance Sheet	(2,213.23)	(2,128.83)
g)	<u>Net Interest Cost for Current Period</u>		
	Present Value of Benefit Obligation at the Beginning of the Period	2,127.83	1,950.20
	(Fair Value of Plan Assets at the Beginning of the Period)	-	-
	Net Liability/(Asset) at the Beginning	2,127.83	1,950.20
	Interest Cost	145.14	152.00
	(Interest Income)	-	-
	Net Interest Cost for Current Period	145.14	152.00
h)	<u>Expenses Recognized in the Statement of Profit or Loss for Current Period</u>		
	Current Service Cost	20.69	22.00
	Net Interest Cost	145.14	152.00
	Past Service Cost	-	-
	(Expected Contributions by the Employees)	-	-
	(Gains)/Losses on Curtailments And Settlements	-	-
	Net Effect of Changes in Foreign Exchange Rates	-	-
	Expenses Recognized	165.83	174.00
i)	<u>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</u>		
	Actuarial (Gains)/Losses on Obligation For the Period	(50.00)	82.00
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	(50.00)	82.00
j)	<u>Balance Sheet Reconciliation</u>		
	Opening Net Liability	2,127.83	1,950.20



	Expenses Recognized in Statement of Profit or Loss	165.83	174.00
	Expenses Recognized in OCI	(50.00)	82.00
	Net Liability/(Asset) Transfer In	-	-
	Net (Liability)/Asset Transfer Out	-	-
	(Benefit Paid Directly by the Employer)	(30.29)	(78.37)
	(Employer's Contribution)	-	-
	Net Liability/(Asset) Recognized in the Balance Sheet	2,213.23	2,127.83
k)	<u>Category of Assets</u>		
	Government of India Assets	-	-
	State Government Securities	-	-
	Special Deposits Scheme	-	-
	Debt Instruments	-	-
	Corporate Bonds	-	-
	Cash And Cash Equivalents	-	-
	Insurance fund	-	-
	Asset-Backed Securities	-	-
	Structured Debt	-	-
	Other	-	-
	Total	-	-
l)	<u>Other Details</u>		
	No of Active Members	533	577
	Average Future Term	30	29
	Projected Benefit Obligation (PBO) Total	2,213.23	2,127.83
	Projected Benefit Obligation (PBO) Due but not paid	-	-
	Expected Contribution in the Next Year	-	-
m)	<u>Net Interest Cost for Next Year</u>		
	Present Value of Benefit Obligation at the End of the Period	2,213.23	2,127.83
	(Fair Value of Plan Assets at the End of the Period)	-	-
	Net Liability/(Asset) at the End of the Period	2,213.23	2,127.83
	Interest Cost	153.00	145.00
	(Interest Income)	-	-
	Net Interest Cost for Next Year	153.00	145.00
n)	<u>Expenses Recognized in the Statement of Profit or Loss for Next Year</u>		
	Current Service Cost	20.00	20.00
	Net Interest Cost	153.00	145.00
	(Expected Contributions by the Employees)	-	-
	Expenses Recognized	173.00	165.00
o)	<u>Maturity Analysis of the Benefit Payments:</u>		



	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	62.00	72.00
	2nd Following Year	76.00	84.00
	3rd Following Year	88.00	99.00
	4th Following Year	102.00	113.00
	5th Following Year	115.00	126.00
	Sum of Years 6 To 10	573.00	631.00
g)	<u>Sensitivity Analysis</u>		
	Projected Benefit Obligation on Current Assumptions	2,213.23	2,127.83
	Delta Effect of +1% Change in Rate of Discounting	(240.00)	(226.00)
	Delta Effect of -1% Change in Rate of Discounting	295.00	277.00
	Delta Effect of +1% Change in Medical Cost Inflation	301.00	282.00
	Delta Effect of -1% Change in Medical Cost Inflation	(248.00)	(234.00)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

29 Deferred tax Assets

The Company has not recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty.

30 Contingent Liabilities and Contingent Assets:

A Contingent Liabilities

In compliance with Ind AS 37 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is as under:

No.	Description	Opening Balance as on 1st April 2020	Additions during the year 2020-21	Utilisation during the year 2020-21	Reversals during the year 2020-21	Closing Balance as on 31st March 2021
i)	Luxury Tax	228.91	-	-	-	228.91
ii)	Service Tax	296.25	283.76	-	-	580.01



No.	Description	Opening Balance as on 1st April 2020	Additions during the year 2020-21	Utilisation during the year 2020-21	Reversals during the year 2020-21	Closing Balance as on 31st March 2021
iii)	Counter claim of Sahara Hospitality Ltd	235.67	-	-	-	235.67
iv)	Arbitration Award for B D & P Hotels challenged in Court	54.00	-	-	-	54.00
v)	Arbitration proceedings against N S Associates	787.79	-	-	(718.23)	69.56
vi)	Premium payable on fore shore land of erstwhile Centaur Hotel Juhu Beach to Government of Maharashtra	448.00	-	-	-	448.00
vii)	Guarantees given to Customs Department for the flight kitchen operations	3.00	-	-	(3.00)	-
viii)	Landscaping of Centaur Hotel Srinagar claimed by Shere Kashmir Convention Centre, J&K Govt. disputed by HCI	506.21	-	-	-	506.21
ix)	Awards that have gone against the Company and preferred an appeal	10.62	-	-	-	10.62
x)	Interest on dues payable to AAI	6,845.70	862.51	-	-	7,708.21
xi)	Claims of employees	-	-	-	-	-
Total		9,416.15	1,146.27	-	(721.23)	9,841.19

Claims against the Company not acknowledged as debts

- i) Claims of Luxury Tax authorities, for financial year 2000-01 and 2002-03 for which the Company has preferred an appeal with Additional Commissioner of Sales Tax against which Company has paid Rs.70.71 lakhs (previous year Rs. 70.71 lakhs) under protest.
- ii) Claims of Service Tax amounting to Rs. 580.01 lakhs for which the Company has preferred appeals
- iii) Counter Claim of Rs. 236 lakhs by M/s Sahara Hospitality Ltd. (formerly known as M/s Batra Hospitality Pvt. Ltd.), the buyer of Centaur Hotel Mumbai Airport, towards Net Current Assets which was disputed by the Company, as the Net Current Assets and other obligations of the buyer were to be settled in terms of the Agreement to Sell dated 18.4.2002. In the prior years, the Hon'ble Arbitral Tribunal published their award under which the buyer had to pay Rs 188 lakhs and interest thereon along with legal costs of Rs 40 lakhs. The buyers preferred an appeal in the Hon'ble High Court of Bombay against the award. The Hon'ble High Court has set aside the Arbitration Award. This has been challenged by the Company before the Divisional Bench of the Hon'ble High Court of Bombay which has been admitted and is pending for hearing .
- iv) The Management Contract Agreement executed on 15 September 2010 with M/s B.D.&P Hotels (India) Pvt Limited for running the Centaur Hotel Lake View, Srinagar (CLVH) under Management Contract. However, before handing over the unit, a communication was received from the Ministry forwarding the decision taken in the meeting of the Committee of Secretaries, Gol stating that J&K Govt had indicated



that since the land was leased to the Company by J&K Government, the Management Contract was not feasible and the decision of offering the unit under Management Contract may be reviewed. Accordingly, with the approval of the Board the said Management Contract was terminated on 26 September 2011 and the interest free Security Deposit of Rs.1000 lakhs and proportionate Minimum Guaranteed Amount of Rs 108 lakhs deposited by the party was returned to the Bidder, M/s BD & P Hotel (India) Pvt. Ltd.

M/s B.D.&P Hotels (India) Pvt Limited had filed a writ in the High Court of Bombay for invoking arbitration. The Hon'ble High Court granted the appeal of the party and sole arbitrator was appointed. The party challenged the termination of the Agreement and claimed Rs 34100 lakhs plus 18% interest from the Company, The Arbitration Award was received on 14th August 2015 directing HCI to hand over the property to the party along with legal cost of Rs 54 lakhs, which was challenged by the Company in the Hon'ble High Court of Bombay . Vide order dated 8 January 2019 passed by the single judge the arbitration petition has been dismissed.

Subsequently, the Company has challenged the said order before the Division Bench of Hon'ble High Court of Bombay in March 2019 and is still pending for hearing. The options available to the Company are being explored with the guidance of the Senior Counsel in the matter.

- v) The Company had entered into an Agreement with M/s. N S Associates for renovation of guest rooms together with connected shafts and corridors at Centaur Hotel, Delhi Airport. Certain disputes and differences arose with the said Party and the final bill was not settled. Accordingly, the party invoked arbitration clause claiming an amount of Rs 787.79 lakhs and interest thereon @ 15%. The Arbitration Award was published by the Learned Arbitral Tribunal on 19.10.2019 by holding that the Company has to pay only Rs. 88.43 lakhs along with litigation costs of Rs.5.00 lakhs to the party. The Company filed a petition under section 34 of the Arbitration and Conciliation Act, 1996 for partly setting aside the impugned award, which has been admitted. Hearing in the matter is pending . Against the amount payable as per the award totalling to Rs 93.43 lakhs, an amount of Rs 23.88 lakhs (including Rs 0.30 lakhs as Earnest Money Deposit) is reflected as payable in the books of accounts. Hence the balance amount of Rs 69.55 lakhs is reflected under Contingent Liability.
- vi) Subsequent to the sale of Centaur Hotel Juhu Beach in 2002, Govt. of Maharashtra claimed an amount of Rs 448 lakhs from M/s V. Hotels Limited and from the Company for premium payable on the transfer of 1810 sq.mtr of land attached to the hotel property which was on lease from the State Govt. and is to be kept open to sky - to be used only as garden. The same was disputed by the Company before the Revenue Minister, Government of Maharashtra quoting the Agreement to Sell . The Order of the State Government dated 1.6.2014 has directed M/s V. Hotels to make payment of the said premium. M/s V. Hotels Limited has challenged the order in the Bombay High Court, wherein the Company has been made a party.
- vii) Guarantees given to Customs Authorities nil (previous year Rs 3 lakhs)
- viii) Pertains to the Company's share of the cost of landscaping of Centaur Hotel Srinagar claimed by Shere Kashmir Convention Centre/ J&K Govt., disputed by the Company
- ix) Awards that have gone against the Company for which appeals are preferred and pending disposal.
- x) Lease rentals and Turnover levy amounting to Rs 7081.26 lakhs are payable to Airports Authority of India (AAI) and the same are provided in the books of accounts as per the working of the Company, subject to confirmation . In view of disputes with AAI, interest on account of outstanding dues payable to AAI amounting to Rs 7708.21 lakhs is reflected as Contingent Liability (Refer 30 A (x)).
- xi) Claims made by employees - various claims on account of reinstatement, promotions, permanency, wage revision, etc by existing and retired employees of the Company are under litigation and the claims



will depend on the outcome of the cases. Hence amount is indeterminate

B Contingent Assets

The Hon'ble Arbitral Tribunal published their award under which M/s Sahara Hospitality Ltd. (formerly known as M/s Batra Hospitality Pvt. Ltd.), the buyer of erstwhile Centaur Hotel Mumbai Airport had to pay an amount of Rs 188 lakhs and interest thereon along with legal costs of Rs 40 lakhs to the Company . However, the buyers preferred an appeal in the Hon'ble High Court of Bombay against the award. The Hon'ble High Court set aside the Arbitration Award, which has been challenged by the Company before the Divisional Bench of the Hon'ble High Court of Bombay which has been admitted and is pending for hearing . (refer 30 A iii) above)

31 Other Receivables under Other Financial Assets (Note 5) - Rs.289.34 lakhs (previous year Rs 2015.31 lakhs) - includes the following against which the Company has made Provisions for Doubtful Advances:

- i) Rs. 38.43 lakhs due from AAI for the period from 1996-97 to 2005-06 and Rs. 9.54 lakhs for the period from 2006-07 to 2009-10 against garbage collection .
- ii) Rs. 0.47 lakhs receivable from M/s Sahara Hospitality Limited

"The Company has made provision for doubtful advances for Rs 48.43 lakhs in 2020-21

32 The matters relating to cost of construction of Centaur Lake View Hotel Srinagar and the cost sharing arrangement between the hotel and Sher e Kashmir Convention Centre (SKICC) between the Company and Government of Jammu & Kashmir (J&K) had been agreed by both the parties in a joint meeting held on 15 October 2004 and all the matters of divergent views were settled. Consequent upon the agreement, the following amounts were receivable / payable:

- a) Amount receivable from J & K government in respect of cost sharing arrangements with SKICC is Rs .1270.04 lakhs - (previous year Rs 1197.92 lakhs)- (Note 5)
- b) Amount receivable from J & K government on account of joint construction of the hotel and SKICC in 1982- Rs 297.76 lakhs and interest subsidy Rs 120 lakhs, totalling to Rs 417.76 lakhs (Note 5)
- c) Amount payable to J & K government on account of joint construction of the hotel and SKICC in 1982 is Rs. 396.76 lakhs (Note 18)

These balances are subject to reconciliation and confirmation. Adjustment, if any will be accounted in the year in which finality is reached.

However, as a matter of abundant caution, the Company has made a Provision for Doubtful Advances for item nos. a) and b) above, totalling to Rs. 1687.80 lakhs during 2020-21.

33 Wage Revision:

- a) The earlier wage agreements with workmen had expired on 31.12.2006. The Unions submitted their Charters of Demands

After protracted negotiations between Wage Negotiation Committee of the Management and Co-Ordination Committee of HCI Unions and after receipt of final approval from the Ministry of Civil Aviation, the Memorandum of Understanding dated 08.08.2019 was entered into between the unions and the Company for implementing wage revision for the Unionised category of employees for a period of 10 years effective 18.08.2008. The wage revision was implemented in the financial year 2019-20.

In view of the above , total estimated provision for arrears of wage revision for the unionised



category of employees as on 31.3.2021 is Rs 1463.58 lakhs (Refer note no. 16) against which an advance of Rs 333.13 lakhs is shown in the books of accounts (Refer note no.7). The calculations for arrears payable to employees effective 08.08.2008 are in progress. Hence any differential provision would be made in the year it is finalised.

- b) The wage revision relating to the Officers Cadre which was due on 01.01.2007 for a period of 10 years is pending. In view of the financial position of the Company the wage revision for the officers has been deferred.

The Management had announced an interim relief of Rs 5,000/- per month per employee for officers effective 1.1.2017 which continues to be paid and has been expensed out in the Statement of Profit and Loss Account. As and when wage revision is approved, this amount would be adjusted against arrears payable, if any, for which employeewise details have been maintained separately in the books of accounts as Advance against Interim relief and Provision against Interim Relief amounting to Rs 575.85 lakhs (Refer note no.18 and 7).

- 34 Chefair Delhi acquired one Hi - lift TATA Chassis at a cost of Rs 10.14 lakhs during the financial year 2007-08. Based on operational considerations it was transferred to Chefair Mumbai on 21st March, 2009 for customisation to meet local requirements. The Company has obtained possession of the customised hilift and after completion of the fabrication, the hilift has been put to use in February 2021 and the total amount of Rs 31.62 lakhs including chassis cost and fabrication cost has been capitalised effective 28.02.2021 .

35 Renovation of Hotels :

The Company received a sum of Rs 500 lakhs during 2015-16 against issue of equity shares from the Government of India for renovation of hotels. In April 2017, the Company appointed a Consultant to undertake the upgradation and refurbishing of 75 guest rooms and other allied works for Centaur Srinagar. The same is not actively pursued in view of the situation in the Valley and uncertainty regarding handing over of the Srinagar hotel property to the J&K Government. However, some essential capital expenditure required for the smooth operations of Centaur Srinagar will be incurred in the next financial year.

36 Commitments:

Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account are given hereunder:

Particulars	As at 31st March 2021	As at 31st March 2020
Hilift	-	2.84
Total	-	2.84

37 Confirmations of Balances

- i) The Company has reconciled the balances in respect of Trade Receivables, Trade Payables, Loans and Advances, Deposits in respect of the Holding Company and its subsidiaries as on 31st March 2021
- ii) The Company has sent confirmation letters to creditors for Trade Payables as on 31.3.2021 . Generally, the Trade Payables have been confirmed by the parties.

The Company is also in the process of obtaining confirmation of balances in respect of other



Trade Receivables, Loans and Advances, Deposits and Other Liabilities as on 31st March, 2021. Accordingly, such accounts reflect the balances as per their respective ledger accounts and are subject to adjustments, if any on reconciliation of accounts. The difference, if any, will be adjusted in the accounts as and when reconciliation is completed.

38 LEASES- IND AS 116

The Company has taken land on lease which are generally long term in nature with varying terms, escalation clauses and renewal rights expiring from thirty to ninety nine years. On renewal, the terms of the leases are renegotiable.

a) Total lease liabilities are analysed as under:

Particulars	31.3.2021	31.3.2020
Current	305.04	-
Non-current	3,692.87	3,584.64
Total	3,997.91	3,584.64

b) Exposure to Future Cash Flows:

The Company has not made lease payments to AAI (Refer Note no. 29A x)), hence undiscounted cash flow of lease liabilities cannot be ascertained. There is no as such payment profile and therefore maturity analysis cannot be prepared.

39 Earnings Per Share:

Particulars	As at 31.03.2021	As at 31.03.2020
Profit/(Loss) After Tax & Extra-Ordinary Items	(9,661.92)	(6,554.70)
Less: Extra-Ordinary Items	-	-
Profit/(Loss) After Tax & Before Extra-Ordinary Items	(9,661.92)	(6,554.70)
Weighted Average No. of Equity Shares	137.60	137.60
EPS		
a) Basic	(70.22)	(47.64)
b) Diluted	(70.22)	(47.64)

40 Remuneration to Auditors:

The details of the audit fees and expenses of the Auditors:-

Particulars	2020-21	2019-20
Audit fees- For the year	2.25	2.25
Out of Pocket Expenses of previous auditors	0.02	-
Total	2.27	2.25

41 Segment information is provided in Annexure "I" as per Ind AS 108 "Operating Segments" under Rule 7 of the Companies (Accounting) Rules, 2014.

42 Related Party Transactions:

Disclosure of the names and designations of the Related Parties as required by Indian Accounting



Standard (IND AS-24) during the year 2019-20 and 2020-21 are given below:

Related Party Relationships

- i) Holding Company
Air India Limited
- ii) Person having significant influence
President of India (through his representative)

A Key Management Personnel & Relatives :

Key Managerial Personnel & Relatives

Pankaj Kumar - Chief Executive Officer (01.04.2020 to 16.07.2020)

Ajay Prakash - Chief Executive Officer (17.06.2020 to 04.11.2020)

Deepak Khullar - Chief Executive Officer (wef 05.11.2020)

T.C.Dalal - Chief Financial Officer

Shyamala P. Kunder - Company Secretary

Transactions with Key Managerial Personnel:

- i) There are no transactions with key managerial personnel or their relatives
- ii) Key Managerial Remuneration

S. No	Particulars	as at 31.3.2021	as at 31.3.2020
1	Pankaj Kumar - Chief Executive Officer (01.04.2020 to 16.07.2020)	2.66	9.74
	Ajay Prakash - Chief Executive Officer (17.06.2020 to 04.11.2020)	-	-
	Deepak Khullar - Chief Executive Officer (wef 05.11.2020)	9.73	-
2	T.C.Dalal - Chief Financial Officer	9.00	9.00

B In terms of Ind AS 24, following are the disclosure requirements related to transactions with certain Government Related entities i.e. Significantly controlled and influenced entities by Government of India (not included in the list above) :

S. No.	Name of the Entities and Nature of transactions	2020-21	2019-20
1	AIR INDIA LIMITED		
	Sales during the year	1,472.29	5,125.48
	Finance Cost for the year	(3,519.02)	(2,607.84)
	SOD Ticket	(0.13)	(0.53)
	Miscellaneous expenses (security training)	(1.22)	-
	Miscellaneous expenses (medical)	(6.09)	(3.11)
	SAP maintenance expenses	(3.43)	-
	Loan received during the year	2,593.00	2,775.00
	Closing Balance 31.3.2021		
	Trade Receivable from Air India	2,961.89	3,609.22
	Loan payable to Air India	(43,928.87)	(37,964.36)



S. No.	Name of the Entities and Nature of transactions	2020-21	2019-20
2	Other Receivables	41.04	28.17
	Other Payables	(3.00)	(11.12)
	AIR INDIA SUBSIDIARIES		
	Sales during the year		
	AI Airport Services Limited (AIASL) (formerly AIATSL)	0.92	11.27
	AI Engineering Services Limited (AIESL)	88.21	181.97
	Air India Express Limited (AIXL)	1.55	39.77
	Alliance Air Aviation Limited (AAAL)(formerly known as Airlines Allied Services Ltd. (AASL))	10.78	53.08
	Trade Receivables on 31.3.2021		
	AI Airport Services Limited (AIASL) (formerly AIATSL)	11.30	10.34
	AI Engineering Services Limited (AIESL)	73.90	361.94
	Air India Express Limited (AIXL)	1.17	23.62
	Alliance Air Aviation Limited (AAAL)(formerly known as Airlines Allied Services Ltd. (AASL))	3.04	42.59

Note: The Related Parties have been identified by the Company and relied upon by the auditors

- 43 Luxury Tax liability of Centaur Delhi as on 31st March 2021 is NIL (previous year NIL). The Company is in the process of defreezing the bank accounts frozen by the Luxury Tax authorities in 2012-13, hence confirmations of bank accounts amounting to Rs 6.14 lakhs is on the date of freezing.
- 44 As per the Agreement between Airports Authority of India (AAI) and the Company the lease period for the land on which Centaur Hotel Delhi and Chefair Delhi is located, is valid till 31.3.2032. However AAI had served notice dated 8 November 2016 for early termination of lease of land as the land is required by them for airport expansion. With the intervention of Ministry of Civil Aviation, an extension up to 31 December 2019 for vacating the said leasehold land has been granted. Thus the Company was required to give vacant possession of land by 30.11.2019 and surrender the said leasehold land to AAI by 31 December 2019. In this regard, negotiations for compensation to be claimed from AAI were carried out in consultation with the Ministry.

Accordingly, a meeting was convened on 4.011.2019 by Secretary Civil Aviation to discuss the matter regarding compensation on termination of Lease agreement to HCI. In the said meeting AAI clarified that as per the proposed Master Plan 2016 for Indira Gandhi International Airport, Delhi the project at the HCI hotel site is to be developed under the Master Plan phase commencing from 2026 and it was also confirmed that the HCI property is not infringing the proposed runway but the land would be required for parking of aircraft.

Secretary, Civil Aviation stated that AAI needed to take an economic call on the issue taking into consideration the economics of allowing HCI to continue operations for the balance lease period. In view of the above, it was decided in the meeting that in case AAI decides that the land is not required by AAI for aeronautical purpose then full permission may be given to HCI for commercial utilisation including O&M contract for the remaining period of the lease. The said decision was communicated to HCI vide Ministry's letter 20.12.2019 allowing HCI to use the land/structure upto the expiry of the existing lease period i.e. on 31.03.2032 and to vacate the land positively upon the expiry of lease period. It was also conveyed that since HCI has defaulted in payment of AAI dues from 2002 onwards as per the terms of agreement, an Arbitrator may be appointed as per the provisions of existing agreement to sort out the dispute.



The useful life of Centaur Delhi has been taken upto 31.3.2032 and depreciation has been reworked accordingly.

45 The Micro, Small and Medium Enterprises Development Act

The Micro, Small and Medium Enterprises suppliers defined under “The Micro Small and Medium Enterprises Development Act 2006” have been identified . The payments to such undertakings covered under Micro Small and Medium Enterprises are generally being made within the prescribed credit period agreed upon with the supplier and hence no interest is calculated on delayed payments.

46 The Company had conducted physical verification of each group of fixed assets in 2019-20. All the assets so verified have been mapped with the Fixed Assets Register during the year 2020-21. No major discrepancies have been observed.

47 There is no impairment of assets as envisaged under Indian Accounting Standards (Ind AS 36) ‘Impairment of Assets’.

48 The company is in the process of :

- a) streamlining the inventory reporting system in terms of generation of reports towards movement of item-wise store records and configuring of the stores ledger during the year. At the year end, consumption as per the stores records is reconciled with the financial records and adjustments are duly accounted for.
- b) instituting a maker checker process in order that a system of checks and balances is in place to prevent revenue leakage through Purchase and misuse and to ensure proper control over the Procurement and Consumption Cycles.

49 The Company is in the process of :

- a) strengthening the internal audit process so as to ensure adequate coverage of all the areas and ensure effective internal controls at all units of the Company
- b) Reviewing the frequency of verification of cash,cheques, drafts etc., in hand through internal audit/officers other than cashiers.
- c) Laying down Standard Operating Procedures with regard to timely accounting of all transactions to ensure that proper books of accounts are maintained.

50 In the opinion of the Company, the Current Assets and Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

51 Impact of COVID 19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company’s operation and revenue during the year were also impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of audited financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these audited financial Statements and current indicators of future economic conditions.

Also refer note 2 (v) Estimation uncertainty due to COVID-19 - Based on aforesaid assessment, management believes that as per estimates made conservatively, the group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2021.



52 Going Concern:

The Company faces significant uncertainties due to the COVID-19 pandemic which has impacted the operations of the Company adversely starting from the month of March 2020. Management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2021.

In spite of the negative Net Worth of the Company as at the balance sheet date, considering the continuous support of the Holding Company and the Government of India, the Company is and will continue to be able to meet its financial obligations as they fall due. Accordingly the Company has prepared its accounts on a “going concern” basis. Various initiatives have also been taken by the management for improving the operational performance of the company and increasing the revenues in view of the following:

- i) Due to the renovation of 80 guest rooms and other allied works at Centaur Delhi in view of the equity infusion of Rs 2700 lakhs from FY 2012-13 to 2015-16 by Government of India the revenue of the Company increased from Rs. 5513 lakhs in F.Y. 2017-18 to Rs 6762.53 lakhs in F.Y. 2019-20. This was due to increased business from Air India and its subsidiaries. However, in the current year due to the impact of Covid pandemic the increase in revenue could not be realised. The impact of the same will be felt in post covid scenario.
- ii) The Holding Company, Air India Limited (AIL) and Government of India is continuously supporting the Company by way of financial assistance in the form of equity infusion and providing financial assistance as and when required by HCI and are also committed to provide such assistance in future also. During earlier years, there has been Equity infusion of Rs 2700 lakhs from F.Y. 2012-13 to 2015-16 by Government of India and conversion of loan to equity totaling to Rs 7000 lakhs by AIL. Out of the total Share Capital of the Company of Rs 13760 lakhs, the total share capital of AIL is Rs 11060 lakhs as on 31.3.2021. Operational shortfall for staff salary payments is being funded by AIL through the Current Account. The Current Account also includes other debits / credits and interest being debited by AIL.
- iii) AIL has been continuously supporting the Company by giving business which contributes to the operational revenue of the Company - nearly 60% of the revenue earned by the Company is from AIL and this would continue in the future also. The Company has signed Service Level Agreements (SLA) for its various units of Delhi, Mumbai and Srinagar with Air India for providing various services to Air India which are valid upto 31.12.2024. The Company is also in the process of signing a Master Service Agreement (MSA) with Air India. The signed SLAs will form part of the MSA.
- iv) Also in the process of disinvestment of AIL, HCI is one of the subsidiaries of AIL which would not be divested and would be transferred to the Special Purpose Vehicle, Air India Asset Holding Company, a 100% subsidiary of Government of India. Accordingly upon disinvestment of AIL, the Company would be administered by Air India Asset Holding Company.



- 53** Previous Years figures have been re-cast/re-arranged in line with IND-AS requirements wherever required.
- 54** The financial statements were authorised for issue by the Board of Directors on 4 August 2021

For S A R A & ASSOCIATES

Chartered Accountants
Firm Registration No. 0120927W

Sd/-
(Alok Bairagra)
Partner
Membership No: 105153

Place : Mumbai
Date : 4 August 2021
UDIN: 21105153AAAHC4767

For and on behalf of the Board of Directors

Sd/-
(Rajiv Bansal)
Chairman
DIN 00245460

Sd/-
(Thrity C Dalal)
Chief Financial Officer
FCA 034616

Place : New Delhi
Date : 4 August 2021

Sd/-
(Vimalendra A. Patwardhan)
Director
DIN 08701559

Sd/-
(Shyamala P Kunder)
Company Secretary
ACS 8203

**SEGMENTWISE REPORTING FOR THE YEAR 2020-21****A. PRIMARY BUSINESS SEGMENT :****(Rs. In lakhs)**

Particulars	Hotels	Flight Kitchens	Others	Total
1. SEGMENT REVENUE	1,402.42	1,019.43	74.19	2,496.05
	(2,737.89)	(3,442.20)	(582.44)	(6,762.53)
2. SEGMENT RESULT(LOSS)				
Loss after Interest, Exceptional and Extraordinary Items	(6,638.71)	(3,096.94)	73.72	(9,661.92)
	(4,452.76)	(2,684.38)	582.44	(6,554.70)
3. SEGMENT ASSETS	5,905.14	4,155.18	1,863.23	11,923.55
	(7,952.02)	(5,273.56)	(2,294.19)	(15,519.77)
4. SEGMENT LIABILITIES	11,731.04	9,154.82	42,235.66	63,121.52
	(11,718.86)	(9,057.18)	(36,279.78)	(57,055.82)
5. CAPITAL EMPLOYED	(5,825.90)	(4,999.64)	(40,372.42)	(51,197.97)
	(3,766.84)	(3,783.62)	(33,985.59)	(41,536.05)
6. TOTAL CAPITAL EXPENDITURE	35.19	35.38	0.24	70.81
	(0.23)	(2.52)	-	(2.75)

Figures in brackets relate to previous year.

B. GEOGRAPHICAL SEGMENT :

The Company provides services within India and hence, does not have any operations in economic environments with different risks and returns. Hence, it is considered that the Company is operating in a single geographical segment.