



HLV Limited

(Formerly known as Hotel Leelaventure Limited)

www.hvltd.com

**Annual Report
2019-20**

Mission Statement

To not just satisfy our guests, but delight them.

To show the warmth and grace unique to Indian hospitality.

To set a new global standard of service in which wishes are not simply granted, but anticipated.



Lobby Lounge at The Leela Mumbai



Lobby at The Leela Mumbai

CHAIRMAN'S STATEMENT



Dear Shareholders,

I am pleased to present you, the 39th Annual Report and Financial Statements for the year ended 31st March, 2020 of HLV Limited (formerly known as Hotel Leelaventure Limited).

It is our aim to continue to be recognized as a leading luxury hotel in India. Our philosophy is deeply rooted in the tradition and ethos of legendary warm Indian hospitality. Our service culture and our values both focus on delivering experience that makes guests feel like unique individuals. It is the seamless coordination, teamwork and dedication among us that help us in maintaining our high standards.

As a Member, you are aware, that in order to pay the debts of the Company, the Company completed the transactions with BSREP III India Ballet Pte. Ltd. ("**Brookfield**") for sale of the Company's hotel undertakings in Delhi, Bengaluru, Chennai and Udaipur as well as the Company's business of hotel management operations and sale of the 100% shareholdings of the Company in Leela Palaces and Resorts Limited (LPRL), which owned property and held licenses for the development of a hotel in Agra. It was a composite transaction for sale of the aforementioned hotels and related assets, as well as the trade marks, brand, other associated brands and intellectual property rights. The proceeds received out of this transaction had been used to repay the lenders of the Company by way of a one-time settlement. Consequent to the transaction, now the Company operates only one hotel "The Leela, Mumbai".

Also as per the understanding with Brookfield, the Company changed its name from "Hotel Leelaventure Limited" to "HLV Limited".

The Company started feeling the ripple effects of the global COVID-19 turmoil towards the end of February 2020, which worsened at the beginning of March. Occupancy at the hotel declined rapidly. Such a steep decline in such a short period of time has never been witnessed by the Company.

Given the national lockdown announcement by the Government of India and the guidelines / directives issued by the Central and State Governments and other regulatory authority(ies) for the hospitality and other sectors, the Company had to suspend its operations.

In these difficult times caused by the COVID outbreak around us the Company may face significant challenges for some time, but I am confident that we will adapt and continue to deliver our Brand Promise of outstanding service. We have had an extraordinary background and an excellent legacy that will continue to position us as one of the finest hotels in India.

I wish to convey my sincere thanks to our valued shareholders and seek their continued support and trust in us. I also acknowledge the support of the Board, Management and associates of "The Leela, Mumbai" and the management of Brookfield for their commitment and commendable efforts and look forward to their continued wholehearted support who stood by the Company during the difficult times the Company had to endure.

A handwritten signature in dark ink, appearing to read "Vivek Nair". The signature is fluid and stylized.

Vivek Nair
Chairman & Managing Director
HLV Limited
(Formerly Hotel Leelaventure Limited)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vivek Nair	Chairman & Managing Director
Mr. Dinesh Nair	Co-Chairman & Managing Director
Mrs. Madhu Nair	Director
Mr. Vinay Kapadia	Director
Mr. Vijay Sharma	Director
Ms. Saija Nair	Director

REGISTERED & CORPORATE OFFICE

The Leela
Sahar
Mumbai – 400 059
Tel. +91-22-6691 1182/83
Fax +91-22-6691 1458
E-mail: investor.service@hlvlt.com
Website: www.hlvlt.com

REGISTRAR & TRANSFER AGENTS

KFin Technologies Private Limited
Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Tel: + 91 40 6716 2222
Fax: + 91 40 2342 0814
Toll Free No. 1800-3454-001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

CORPORATE IDENTITY NUMBER (CIN) OF THE COMPANY

L55101MH1981PLC024097

39TH ANNUAL GENERAL MEETING

Date : Monday, 21st September, 2020

Time : 11.00 a.m.

CHIEF FINANCIAL OFFICER

Mr. Umesh Dombé

COMPANY SECRETARY

Ms. Savitri Yadav

STATUTORY AUDITORS

N. S. Shetty & Co.
Chartered Accountants

SOLICITORS & ADVOCATES

Cyril Amarchand Mangaldas

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For any assistance pertaining to • Room Reservations • Conferences • Weddings • Holiday Packages and Weekend Offers at
The Leela Palaces, Hotels and Resorts, please feel free to contact The Leela Reservations Worldwide :

India Toll Free: 1 800 1031 444 | USA Toll Free: 855 670 3444 | UK Toll Free: 08 000 26 1111

Hong Kong Toll Free: 800 906 444 | Singapore Toll Free: 1 800 223 4444 | Other Countries: (91) 124 4425 444

Mail us at: reservations@theleela.com | Website: www.theleela.com

DIRECTORS' REPORT

Dear Members

Your Directors present the 39th Annual Report on the business and operations of your Company, together with the audited accounts for the year ended 31st March, 2020.

1. Financial Performance

The financial performance of the Company during the year under review is summarized below:

₹ lakhs

Particulars	Financial Year 2019-20	Financial Year 2018-19
Continuing Operations:		
Total income	15,191.23	15,852.79
Less: Expenses other than finance costs and depreciation / amortisation	18,226.88	15,669.14
Less: Finance costs	90.92	39.66
Less: Depreciation and amortisation expenses	1,193.12	957.52
Profit/(loss) before exceptional items and Tax	(4,319.68)	(813.52)
Exceptional items - Profit/(loss) (net)	2,309.37	(2,966.11)
Profit/(loss) before Tax	(2,010.31)	(3,779.63)
Tax expense	-	-
Profit/(loss) after Tax from continued operations (A)	(2,010.31)	(3,779.63)
Discontinued operations:		
Profit/(loss) from discontinued operations	21,369.41	(8,109.85)
Tax expense from discontinued operations	-	-
Profit/(loss) after Tax from discontinued operations (B)	21,369.41	(8,109.85)
Profit after Tax (A + B)	19,359.10	(11,889.48)
Other comprehensive income / (loss), net of tax	(182.33)	22.09
Total comprehensive income for the year	19,176.77	(11,867.39)
EPS for continued operations	(0.32)	(0.60)
EPS for discontinued operations	3.39	(1.29)
EPS for continued and discontinued operations	3.07	(1.89)

2. Reserves

In view of operational losses, your Company is not able to transfer any amount to the Reserves for the year under review.

3. Dividend

The Directors do not recommend any dividend for the financial year ended 31st March, 2020 in view of operational losses.

4. Share Capital

There was no change in the share capital of the Company during the year. The issued and paid up share capital of the Company stands at ₹126,11,03,532 (Rupees one hundred twenty six crores eleven lakhs three thousand five hundred thirty two) divided into 63,05,51,766 (sixty three crores five lakhs fifty one thousand seven hundred sixty six) Equity Shares of face value of ₹ 2 (Rupees two) each.

5. Fixed Deposits

During the year under review, the Company has not accepted any deposits from the public or from the shareholders.

6. Subsidiary Company, its performance and financial position

During the financial year under review your Company has disposed off its sole wholly owned Subsidiary (WOS), viz. Leela Palaces and Resorts Limited under a composite transaction of sale of the Company's hotel undertakings in Delhi, Bengaluru, Chennai and Udaipur as well as the Company's business of hotel management operations and 100% shareholdings of the Company in Leela Palaces and Resorts Limited (WOS) to M/s. BSREP III India Ballet Pte. Ltd. ("Brookfield"). The WOS got transferred to Brookfield on 16th October, 2019.

The WOS neither carried out any operations during the year nor has there been any material change in the nature of its business till the date of disposal. As on 31st March, 2020 the Company did not have any subsidiary. In view of the same, Form AOC-I (pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) containing the salient features of the financial statement of the WOS is not attached to this report.

During the year under review, your Company has not incorporated or acquired any company.

The Audited Consolidated Financial Statements incorporating the profit and loss account of the said WOS upto the date of disposal, prepared in accordance with Accounting Standards (Ind AS) as applicable to your Company forms part of this Annual Report.

7. Secured Non-Convertible Debentures

During the year under review, the Company has not issued/ allotted any Non-Convertible Debentures.

In the financial year 2008-09, the Company had issued and allotted 12.50% Secured Redeemable Non-Convertible Debentures (NCD) of the face value ₹ 10,00,000 (Rupees ten lakhs) each on private placement basis aggregating to ₹ 90,00,00,000 (Rupees ninety crores) to LIC of India.

The Company had paid two installments towards redemption of principal amounting to ₹ 2,250 lakhs. However, the Company could not pay the third, fourth and fifth installments towards redemption of principal amount of ₹ 2,250 lakhs each on NCDs which was due on 30th September, 2016, 30th September, 2017 and 30th September, 2018 respectively. The Company also defaulted in payment of interest on the aforesaid NCDs since March, 2017.

During the year under review, the Company has redeemed the debentures in full by way of a one-time settlement with the sole debenture holder LIC of India.

8. Significant Events during the year

A. Sale of Business Undertakings to M/s. Brookfield

As the Members are aware, the Company concluded the transactions with BSREP III India Ballet Pte. Ltd. ("Brookfield") for sale of the Company's hotel undertakings in Delhi, Bengaluru, Chennai and Udaipur as well as the Company's business of hotel management operations and sale of 100% shareholdings of the Company in Leela Palaces and Resorts Limited (LPRL), which owned property and held licenses for the development of a hotel in Agra. It was a composite transaction for sale of the aforementioned hotels and related assets, as well as the trade marks, brand and other associated brands and intellectual property rights.

The consideration of ₹ 395,000 lakhs received from the transaction has been used to repay the lenders of the Company by way of a one-time settlement.

Consequent to the above transactions, the Company has only one hotel, which is "The Leela, Mumbai".

B. Litigations against the Company

(i) Litigation on the transaction with Brookfield for sale of Undertakings

ITC Limited and its subsidiary Russel Credit Limited, shareholders of the Company holding 8.72% of the equity share capital, have on 22nd April 2019 filed against the Company, a petition under Section 241 of the Companies Act, 2013 for oppression and mismanagement along with 2 applications for urgent hearing and for waiver of the requirement of minimum threshold of 10% shareholding in relation to the transaction with BSREP III India Ballet Pte. Ltd. or its affiliates ("Brookfield") for sale of hotel undertakings before the NCLT in May 2019 which is to be reheard in future as the Bench hearing the case is reconstituted and will be taken up in due course after the COVID Pandemic or as directed by the judiciary.

Two minority shareholders i.e. ITC Limited and Life Insurance Corporation of India (LIC) have filed complaint with the Securities Exchange Board of India (SEBI) against the aforesaid transaction with Brookfield, alleging violation of the provisions related to related party transactions and oppression and mismanagement by the majority shareholders against minority shareholders. Later LIC withdrew from contesting this case. On 23rd July, 2019, SEBI passed its detailed, reasoned and speaking order in the matter of "Complaints Filed by Minority Shareholder of Hotel Leela Venture Limited".

Aggrieved by the aforesaid Impugned Order, ITC filed an appeal before the Hon'ble Securities Appellate Tribunal ("SAT") challenging the findings in the Impugned Order.

On 14th August, 2019, ITC sought interim relief in the nature of a direction from the Hon'ble SAT that till the Appeal is finally heard, the Promoters of the Company and JM Financial Asset Reconstruction Company Limited should be restrained from voting in respect of the proposed sale of the Undertakings, failing which the captioned Appeal would be rendered infructuous. The Hon'ble SAT did not find it proper to grant a stay with respect to the Postal Ballot Notice and / or the voting process. The final judgment of the Hon'ble SAT was pronounced on 26th September, 2019, wherein the appeal of ITC has been rejected. Subsequently, ITC has filed a statutory appeal in the Supreme Court of India and reply has been filed by all the respondents. The matter will be listed in due course after COVID Pandemic.

(ii) Litigations with Airports Authority of India

In the ongoing disputes (regarding the exorbitant demand of rentals, Royalty and Minimum Guaranteed Amount) with Airport Authority of India (AAI) regarding the Mumbai Hotel land admeasuring 18,000 sq.m and the adjacent land of 11,000 sq.m, the Company initiated Arbitration Applications in the High Court of Bombay in 2017. AAI initiated Eviction Proceedings against this which is still continuing before the Eviction Officer at Mumbai. There are several litigations in this regard pending in the Bombay High Court, Supreme Court and the Local Court in Mumbai. The cases in the Bombay High Court and the Supreme Court are yet to be admitted. Due to COVID Pandemic all these cases will be listed in due course and heard in future.

In the meanwhile, the Company has initiated Settlement talks with AAI since December 2019 which is progressing before the Settlement Advisory Committee (SAC) duly constituted by the Board of AAI. The Company is awaiting the outcome of the same in the near future.

(iii) Litigations on the Company's land in Hyderabad

The Company had entered into an MOU on 9th April, 2014, with PBSAMP Projects Private Limited (PBSAMP) for sale of land owned by the Company in Hyderabad admeasuring 3 acres and 28 guntas for a consideration of ₹ 85 crores. As per the MOU, the Company had agreed to settle all pending litigations on the land and obtain permission under the Urban Land Ceiling Act (ULC) for change in land usage from hotel to residential and for permission to alienate the land within 180 days from the date of MOU. As per the MOU, PBSAMP had advanced ₹ 15.5 crores to the Company and the Company settled two claims out of this amount. However, the Company could not settle remaining claims and could not get permission from the State Government under the Urban Land Ceiling Act (ULC) for change in land usage and to alienate the land. At present, there are five suits pending in the City Civil Court against the Company, wherein the Plaintiffs claim to be the owners of certain portion of the aforesaid land.

PBSAMP terminated the MOU on completion of 180 days from the date of MOU and demanded refund of ₹ 15.5 crores together with interest @ 21% per annum. Since the Company could not make payment, they initiated legal proceedings against the Company and secured an arbitral award in their favour. As per the arbitral award dated 8th September, 2019 an amount of ₹ 35 Crores inclusive of interest needs to be paid to the Claimant within 90 days of the award. The Company has filed an appeal under section 34 of the Arbitration and Conciliation Act, 1996 against the said impugned award before City Civil Court at Hyderabad.

The judge heard the matter briefly on 31st January, 2020 and had kept the matter for arguments and disposal in the first week of March 2020. However due to COVID Pandemic it has been adjourned and will be listed in due course.

In the meantime, the Company is exploring the option of selling the land “as is where is basis” wherein the purchaser shall take care of all the disputes related to the land either by way of settlement or litigation.

C. Change of the Company's name from Hotel Leelaventure Limited to HLV Limited

As a part of the Brookfield Transaction, it was agreed that the word “Leela” would not be a part of the Company's name and hence, the Board of Directors in their meeting held on 22nd October, 2019, decided to change the name of the Company. As the Company is also well known by its short name, “HLVL”, it was decided to change the name as “HLV Limited”, subject to requisite approvals, as the new name so that the short name can continue to be “HLVL”.

The shareholders of the Company approved the new name by way of postal ballot the result of which was declared on 18th December, 2019. Subsequently, the name change was effected by the Registrar of Companies, Mumbai with effect from 27th December, 2019 in terms of fresh certificate of incorporation. The Stock Exchanges also took on record the change of name of the Company with effect from 8th January, 2020.

9. Material Changes and Commitments affecting Financial Position of the Company having occurred since the end of the financial year and till the date of this report

Due to COVID -19 pandemic and nationwide lockdown in the country, the Company had suspended operations. The lockdown and the extended closure of the hotel during this period have a significant impact on the company's revenue and profitability.

There are no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31st March, 2020 and the date of the Directors' report i.e. 29th July, 2020.

10. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future. However, attention of the Members is drawn to the legal proceedings pending against the Company as mentioned at Para No. 8(B) of this Board Report.

11. Directors and Key Managerial Personnel (KMP)

As on the date of this Report, the Company has Six (6) Directors consisting of Three (3) Independent Directors, Two (2) Executive Directors and One (1) Non-executive Director.

(a) Disqualification of Directors

In terms of the provisions of section 164(2)(b) of the Companies Act 2013, any person who is or has been a Director of a Company, which has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall not be eligible to be re-appointed as a Director of that company or appointed in other company for a period of 5 years from the date of default. Moreover, pursuant to section 167(1)(a) a director incurring the disqualification under section 164(2) has to vacate his office of director in all other companies, other than the company which is in default under that sub-section.

The Company had defaulted in payment of installments towards redemption of principal amounts due on Secured Redeemable Non-Convertible Debentures and also defaulted in payment of interest on the Debentures issued to LIC of India as mentioned at para 7 above. Accordingly, the disqualification under the aforesaid provision got triggered on 30th September, 2017. As mentioned in para 7, the Company has made a one-time settlement with the debenture holder in October, 2019 and subsequently filed requisite applications with the Registrar of Companies, Mumbai for removal of disqualification of the directors.

Since, the Company's application is still pending before the Registrar of Companies, Mumbai, all directors of the Company, except Mrs. Madhu Nair, are disqualified under section 164(2)(b) of the Companies Act, 2013.

(b) Appointment of Director

Mrs. Madhu Nair was appointed as an Additional Director at the Board meeting of the Company held on 10th February, 2020. Mrs. Nair holds office upto the conclusion of the ensuing Annual General Meeting. The Company has received notice in writing under section 160 of the Companies Act, 2013 from a shareholder signifying his intention to propose Mrs. Nair's name as a candidate to the office of Director.

(c) Directors Retiring by Rotation

There are no directors who are liable to retire by rotation at the ensuing Annual General Meeting.

(d) Declaration by Independent Directors

The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. There has been no change in the circumstances affecting their status as independent directors of the Company. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

In the opinion of the Board the Independent Directors possess integrity, expertise and experience including the proficiency.

(e) Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has complied with the requirement of having at least one Independent Woman Director on the Board of the Company. Ms. Saija Nair is the Women Independent Director of the Company.

(f) Whole-time Directors

Mr. Vivek Nair, Chairman & Managing Director and Mr. Dinesh Nair, Co-Chairman & Managing Director, are the Whole-time Directors of the Company.

(g) Key Management Personnel (KMP)

Mr. Vivek Nair, Chairman & Managing Director, Mr. Umesh Dombe, Chief Financial Officer and Ms. Saviti Yadav, Company Secretary, are the Key Managerial Personnel of the Company in accordance with the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the financial year 2019-20, the following changes have taken place among the KMPs:

Mr. Alen Ferns, Company Secretary, resigned from the services of the Company with effect from 2nd March, 2020 and Ms. Saviti Yadav has been appointed as the Company Secretary of the Company with effect from 11th March, 2020.

Mr. Rajan Shah resigned as the Chief Financial Officer of the Company with effect from 22nd October, 2019 and Mr. Umesh Dombe was appointed as the Chief Financial Officer of the Company with effect from 23rd October, 2019.

Mr. Rajiv Kaul, President and a Key Managerial Personnel, has resigned from the services of the Company, with effect from 16th October, 2019.

12. Meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board / Committee meetings to be held in the forthcoming financial year are circulated to the Directors in advance to enable them to plan their time schedule for effective participation in the meetings.

The Board of Directors met 8 times i.e. on 27th May, 2019, 10th August, 2019, 13th August, 2019, 30th September, 2019, 22nd October, 2019, 12th November, 2019, 10th February, 2020 and 20th March, 2020. The intervening gap between two Meetings was within the period prescribed under the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. Detailed information on the meetings of the Board is included in the Report on Corporate Governance, which forms part of this Annual Report.

13. Audit Committee

The Audit Committee met six times during the year under review. The Audit Committee is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on the date of this Report, the Committee comprises of 4 Directors, i.e. three Independent Directors and the Chairman & Managing Director as a member.

The details with respect to the composition, roles, terms of reference, etc. of the Audit Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

There are no recommendations of the Audit Committee which have not been accepted by the Board.

14. Nomination and Remuneration Committee

The Nomination and Remuneration Committee met three times during the year under review.

As on the date of this Report, the Committee comprises of 4 Directors, i.e. three Independent Directors and the Chairman & Managing Director as a member.

The details with respect to the composition, roles, terms of reference, etc. of the Nomination and Remuneration Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

15. Nomination and Remuneration Policy

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with the Rules issued there under and the Listing Regulations.

The said Policy of the Company, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive Directors, Non-Executive Directors, Independent Directors, Key Managerial Personnel and persons in the Senior Management of the Company, including criteria for determining qualifications, remuneration, positive attributes, independence of a Director and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Annual Report. The Policy is also available on the website of the Company web-link: https://www.hvltd.com/assets/investors_relations/Policy%20on%20Remuneration%20Policy%20-%20Criteria.pdf

16. Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and of the Independent Directors individually as well as the Committees of the Board. The performance evaluation of all the Directors was also carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

17. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee met once during the year under review. As on the date of this Report, the Committee comprises of 4 Directors, i.e. three Independent Directors and the Chairman & Managing Director as a member.

The details with respect to the composition, roles, terms of reference, etc. of the Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

18. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors, based on the information and representations received from the operating management, hereby state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ending 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that

are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

19. Management Discussion and Analysis

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Annual Report.

20. Corporate Governance

A separate section on Corporate Governance standards followed by your Company, as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report.

A Certificate from Mr. Prashant S. Mehta, Practicing Company Secretary, regarding compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to the Report on Corporate Governance.

21. Whistle Blower Policy / Vigil Mechanism

The Company has implemented a Whistle Blower Policy in terms of Section 177(9) & (10) of the Companies, 2013 and the Listing Regulation, pursuant to which whistle blowers can raise concerns relating to Reportable Matters (as defined in the policy) such as fraud, bribery, corruption, illegality, health and safety, environmental issues and wastage / misappropriation of Company's funds / assets, violation of the Company's code of conduct, etc. Further, the mechanism adopted by the Company encourages the whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of the whistleblower who avails such mechanism. The vigil mechanism also provides direct access to the Members of the Audit Committee, including the Chairman of the Audit Committee. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

None of the whistle blowers have been denied access to the Audit Committee of the Board. The Whistle Blower Policy is available

on the website of the Company https://www.hlvtd.com/assets/investors_relations/Whistle%20Blower%20Policy.pdf

22. Risk Management

The Board has approved a Risk Management Policy, wherein all material risks faced by the Company are identified and assessed. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage. For each of the risks identified in the policy, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

23. Contracts or Arrangements with Related Parties

Your Company undertakes various transactions with Related Parties in the ordinary course of business. All Related Party Transactions entered into during the year were in the ordinary course of business and on arm's length basis. No material Related Party transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered into during the financial year 2019-20 by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2, is not applicable.

There were no materially significant related party transactions with the promoters, Directors and Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of Related Party transactions and also in dealing with such transactions as approved by the Board is available on the website of the Company at https://www.hlvtd.com/investor_relation.html. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

Your Directors draw attention of the members to Note No. 34.10 to the standalone financial statements, which give the related party disclosures.

24. Internal Financial Control Systems and their adequacy

Your Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. The Company has laid down standards, processes and structures which enable implementation of internal financial control across the organization and ensure that the same are adequate and operating effectively.

Financial Controls are operative for all the business activities of the Company and no material weakness in the design or operation of any control was observed. During the year the internal financial controls as laid down are adequate and were operating effectively.

The Company has appointed M/s. Baker Tilly DHC Private Limited, Chartered Accountants, as Internal Auditors who review the internal control systems of the Company and report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

25. Extract of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return as at 31st March, 2020 is annexed as Annexure I to this Report and is also available on the website of the Company at https://www.hlvtd.com/investor_relation.html.

26. Loans, Guarantees or Investments

The Company has not granted any loan or given guarantee or made any investments during the year under review.

27. Corporate Social Responsibility (CSR)

In terms of Section 135 of Companies Act, 2013, certain companies have to carry out CSR activities as prescribed. Since the Company does not fall within the criteria of turnover and/or profit, due to continuous losses in the preceding financial years the Company is not required to form a CSR Committee nor required to contribute to the CSR activities as mandated under the provisions of section 135 of the Companies Act, 2013.

However, the Company continues to undertake CSR activities for the benefit of the local communities nearby its hotel, the details of which are disclosed separately in this Annual Report.

28. Disclosure under Section 22 of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013

Your Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee in the Company. The Company's policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. 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.

During the year one complaint pertaining to sexual harassment was received and the same has been resolved.

29. Auditors

(a) Statutory Auditors and Auditors' Report

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 36th Annual General Meeting of the Company held on 18th September, 2017, had appointed M/s. N. S. Shetty & Co., Chartered Accountants, as the Company's Statutory Auditors for a period of five years, from the conclusion of the 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to