

# ANNUAL REPORT

2020-21



## HLV LIMITED

(Formerly known as Hotel Leelaventure Limited)

[www.hlvlt.com](http://www.hlvlt.com)



# 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.*

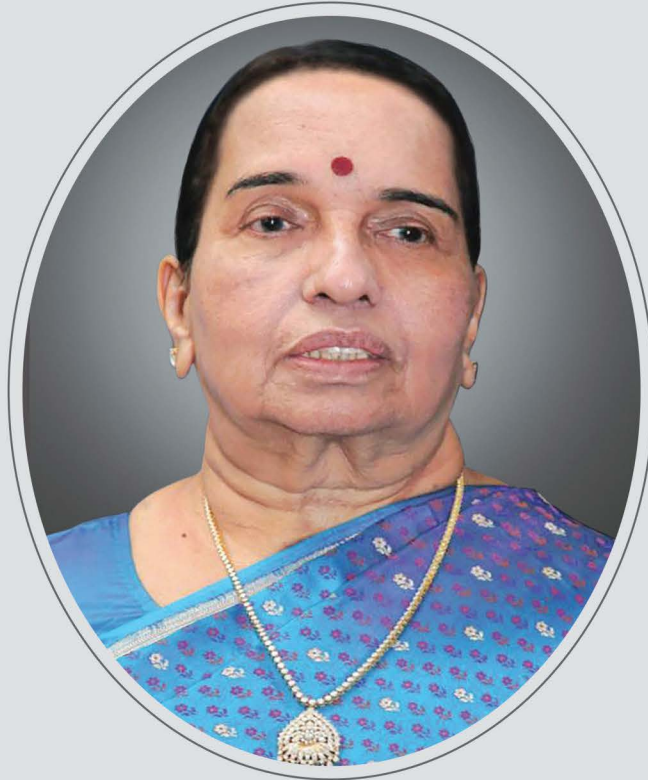


Lobby Lounge at The Leela Mumbai



Entrance of The Leela Mumbai

*In everlasting memory*



**Mrs. Leela Krishnan Nair**

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13<sup>th</sup> June, 1931 - 16<sup>th</sup> May, 2021

**Wife of Late Captain C.P. Krishnan Nair**

(Founder Chairman, The Leela Palaces, Hotels and Resorts)

*In Remembrance*

Management and Staff of The Leela Mumbai

# Corporate Information

## BOARD OF DIRECTORS

Mr. Vinay Kapadia	Chairman
Mr. Vijay Sharma	Director
Ms. Saija Nair	Director
Mrs. Madhu Nair	Director
Ms. Amruda Nair	Director
Mr. Ashok Rajani	Director

## KEY MANAGERIAL PERSONNEL

**Chief Executive Officer**  
Mr. Vivek Nair

**Joint Chief Executive Officer**  
Mr. Dinesh Nair

**Chief Financial Officer**  
Mr. Umesh Dombé

**Company Secretary**  
Ms. Savitri Yadav

## Registered & Corporate Office

The Leela  
Sahar  
Mumbai-400059  
E-mail: [investor.service@hlvtld.com](mailto:investor.service@hlvtld.com)  
Website: [www.hlvtld.com](http://www.hlvtld.com)

## Statutory Auditors

N. S. Shetty & Co.  
Chartered Accountants

## Solicitors & Advocates

Cyril Amarchand Mangaldas

## Registrar & Transfer Agents

KFin Technologies Private Limited  
Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District,  
Nanakramguda,  
Hyderabad - 500 032  
Toll Free No. 1800 309 4001  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

## Contents

Directors' Report	01
Management Discussion and Analysis	13
Report on Corporate Governance	17
Business Responsibility Report	33

## Financial Statements

Independent Auditors' Report	37
Balance Sheet	44
Statement of Profit and Loss	45
Cash Flow Statement	46
Notes to Financial Statements	49

Notice	81
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Corporate Identity Number (CIN): L55101MH1981PLC024097

40th Annual General Meeting

Date | Wednesday, 18th August, 2021

Time | 11.00 A. M.

For any assistance pertaining to • Room Reservations • Conferences • Weddings • Holiday Packages and Weekend Offers at The Leela Mumbai, please feel free to contact: T. +91 (22) 6691 1234 ;F. +91 (22) 6691 1212  
Mail us at: [reservations@theleela.com](mailto:reservations@theleela.com) | Website: [www.hlvtld.com](http://www.hlvtld.com)

# DIRECTORS' REPORT



Dear Members

Your Directors present the 40<sup>th</sup> Annual Report on the business and operations of your Company, together with the audited accounts for the year ended 31<sup>st</sup> March, 2021.

## 1. Financial Performance

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

₹ Lakhs

Particulars	Financial Year 2020-21	Financial Year 2019-20
<b>Revenue from Operations</b>	<b>1,892.05</b>	14,567.56
<b>Other Income</b>	<b>2,521.73</b>	651.04
<b>Total income</b>	<b>4,413.78</b>	15,218.60
Less: Expenses other than finance costs and depreciation / amortisation	<b>7,190.93</b>	18,263.45
Less: Finance costs	<b>229.89</b>	90.92
Less: Depreciation and amortisation expenses	<b>1,351.70</b>	1,193.12
<b>Profit/(loss) before exceptional items and Tax</b>	<b>(4,358.74)</b>	(4,328.89)
Exceptional items - Profit/(loss) (net)	<b>766.15</b>	2,309.36
<b>Profit/(loss) before Tax</b>	<b>(3,592.59)</b>	(2,019.53)
<b>Tax expense</b>	-	-
Profit/(loss) after Tax from continued operations (A)	<b>(3,592.59)</b>	(2,019.53)
<b>Discontinued operations:</b>		
Profit/(loss) from discontinued operations	-	21,369.41
Tax expense from discontinued operations	-	-
<b>Profit/(loss) after Tax from discontinued operations (B)</b>	-	21,369.41
<b>Profit after Tax (A + B)</b>	<b>(3,592.59)</b>	19,349.88
Other comprehensive income / (loss), net of tax	<b>30.27</b>	(182.33)
<b>Total comprehensive income for the year</b>	<b>(3,562.32)</b>	19,167.55
EPS for continued operations	<b>(0.57)</b>	(0.32)
EPS for discontinued operations	-	3.39
EPS for continued and discontinued operations	<b>(0.57)</b>	3.07

Your Company recorded a turnover of ₹ 4,413.78 Lacs as against ₹ 15,218.60 Lacs in previous financial year. The Company registered loss before tax of ₹ 3,592.59 Lacs for the financial year ended 31<sup>st</sup> March, 2021 against a loss before tax of ₹ 2,019.53 Lacs in the previous financial year.

There has been no fundamental change in the nature of business of the Company during the financial year ended 31<sup>st</sup> March, 2021.

## 2. 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 only) 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 only) each.

## 3. Reserves

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

## 4. Dividend

The Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2021 in view of operational losses.

## 5. 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 restrictions on commercial activities imposed in the State, the Company's revenues and profitability continue to be severely affected.

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. 31<sup>st</sup> March, 2021 and date of this Directors' Report i.e. 19<sup>th</sup> June, 2021.

## 6. 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.

## 7. Litigations against the Company

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

ITC Limited and its subsidiary Russel Credit Limited, members 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 members i.e. ITC Limited and Life Insurance Corporation of India (LIC) had filed complaint with the Securities and 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 members against minority members. Later LIC withdrew from contesting this case. On 23<sup>rd</sup> 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 Order, ITC filed an appeal before the Hon’ble Securities Appellate Tribunal (“SAT”) challenging the findings in the Impugned Order.

On 14<sup>th</sup> 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 26<sup>th</sup> 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 and 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 9<sup>th</sup> 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 8<sup>th</sup> 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 31<sup>st</sup> 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.

## **8. 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. 7 of this Board Report.

## **9. Management**

### **i. Directors**

As on the date of this Report, the Company has Six (6) Directors consisting of Four (4) Independent Directors and Two (2) Non-executive Directors.

### **(a) Appointment of Directors**

The Board of Directors on recommendation of Nomination and Remuneration Committee has



appointed Ms. Amruda Nair (DIN 06716791) as an Additional Director of the Company on 30<sup>th</sup> March, 2021. Pursuant to the provisions of section 161 of the Companies Act, 2013, she holds office up to the date of the ensuing Annual General Meeting and being eligible offers herself for appointment. The Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member signifying his intention to propose Ms. Nair's name as a candidate to the office of Director.

Mr. Ashok Rajani (DIN 00267748) has been appointed as an Independent Director of the Company by the Board of Directors on 30<sup>th</sup> March, 2021 for a period of five years on the recommendation of Nomination and Remuneration Committee, subject to approval of members of the Company at the ensuing Annual General Meeting. Your Company has received a notice under Section 160 of the Companies Act, 2013 from a member of the Company, signifying his intention to propose Mr. Ashok Rajani's name for appointment as an Independent Director of the Company. The justification for choosing him for appointment is provided in Explanatory statement to the Notice of Annual General Meeting.

Mrs. Madhu Nair (DIN 00011223) is liable to retire by rotation at the ensuing Annual General Meeting and offers herself for re-appointment.

We seek approval of members for appointment of Ms. Amruda Nair (DIN 06716791) and Mrs. Madhu Nair (DIN 00011223) as Non Executive Directors of the Company liable to retire by rotation and Mr. Ashok Rajani (DIN 00267748) as an Independent Director of the Company for a period of five years with effect from 30<sup>th</sup> March 2021 upto 29<sup>th</sup> March, 2026 not liable to retire by rotation.

**(b) Cessation of Directors**

Mr. Vivek Nair, Chairman & Managing Director and Mr. Dinesh Nair, Co-Chairman & Managing Director, ceased to be the Directors of the Company upon expiry of their tenure on the close of business hours on 31<sup>st</sup> March, 2021 and are not seeking re-appointment due to their disqualification under Section 164(2)(b) of the Companies Act 2013.

**(c) 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. Accordingly, the disqualification under the aforesaid provision got triggered on 30<sup>th</sup> September, 2017. The Company made a one-time settlement with the debenture holder in October, 2019.

Due to default as mentioned above, two of the present Directors of the Company viz. Mr. Vinay Kapadia and Mr. Vijay Sharma are disqualified under section 164(2)(b) of the Companies Act, 2013.

**(d) Declaration by Independent Directors and statement on compliance of code of conduct**

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 Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and Company's "Code of Conduct for Board Members and Senior Management Personnel".

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

None of the Independent Directors have passed online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs notified under sub-section (1) of section 150.

**(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.

## ii. Key Management Personnel (KMP)

The Board of Director on recommendation of Nomination and Remuneration Committee has appointed Mr. Vivek Nair as Chief Executive Officer and Mr. Dinesh Nair as Joint Chief Executive Officer, whole time key managerial personnel of the Company with effect from 1<sup>st</sup> April, 2021.

The Company has following persons as Key Managerial Personnel in accordance with section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Management Personnel) Rules, 2014.

Sr. No.	Name of the Person	Designation
1	Mr. Vivek Nair	Chief Executive Officer
2.	Mr. Dinesh Nair	Joint Chief Executive Officer
3.	Mr. Umesh Dombé	Chief Financial Officer
4.	Ms. Savitri Yadav	Company Secretary

## iii. 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 five times i.e. on 29<sup>th</sup> July, 2020, 14<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020, 12<sup>th</sup> February, 2021 and 30<sup>th</sup> March, 2021. Detailed information on the meetings of the Board is included in the Report on Corporate Governance, which forms part of this Annual Report.

## iv. Audit Committee

The Audit Committee met five 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 four Directors, i.e. three Independent Directors and a Non-executive Non-Independent 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.

## v. 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 four Directors, i.e. three Independent Directors and a Non-Executive Non-Independent Director as members.

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.

## vi. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

## vii. Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was 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.





The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level. The Board intends to establish and follow “best practices” in Board governance in order to fulfill its fiduciary obligation to the Company.

The Company has in place a structured questionnaire, which has been prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The Directors expressed their satisfaction with the evaluation process.

#### **viii. 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 four Directors, i.e. three Independent Directors and one Non Executive – Non Independent Director as members.

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.

#### **10. 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 31<sup>st</sup> March, 2021, 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.

#### **11. Report on Corporate Governance**

A Report on Corporate Governance for the year under review, as required under Regulation 34 read with Schedule V, Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this annual report.

#### **12. Business Responsibility Report**

Business Responsibility Report as Required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this annual report.

#### **13. Whistle Blower Policy / Vigil Mechanism**

The Company has a Whistle Blower Policy / Vigil Mechanism to report genuine concerns or grievances. The details of which are available in “Report on Corporate Governance” forming part of this Annual Report.

#### **14. 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.

#### **15. Contracts or Arrangements with Related Parties**

All transactions entered with related parties for the year under review were on arm’s length basis and in the ordinary course of business and that the provisions of section 188 of the Companies Act, 2013 are not attracted. Further, there are no material related party transactions under review with the promoters, directors or key managerial personnel. The Company has developed a related party transactions framework through standard operating procedures for the purpose of identification and monitoring of such transactions.

As per the policy on Related Party Transactions, the Audit Committee granted omnibus approval for the transactions which are repetitive in nature. The related party transactions were placed before the Audit Committee on quarterly basis for review, pursuant to omnibus approval.

The policy on related party transactions as approved by the board of directors has been uploaded on the website of the company. The web link of the same has been provided in the “Report on Corporate Governance”.

#### **16. 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 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.

## 17. Annual Return

The annual return of the Company as required under section 92 (3) and section 134 (3) (a) of the Companies Act, 2013 will be available on the website of the Company at [https://www.hlvtd.com/investor\\_relation.html](https://www.hlvtd.com/investor_relation.html).

## 18. Loans, Guarantees or Investments

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

## 19. 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 no complaint pertaining to sexual harassment was received. As such, no complaint remained pending at the end of the year.

## 20. 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 36<sup>th</sup> Annual General Meeting of the Company held on 18<sup>th</sup> 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 36<sup>th</sup> Annual General Meeting till the conclusion of the 41<sup>st</sup> 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 their continued appointment and also

a certificate from them to the effect that their existing appointment is in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made there under. The Statutory Auditors were present at the last Annual General Meeting.

During the period under review, even though there are no audit qualifications or adverse remarks, there are audit observations on the financial statements. The explanation for the same has been provided in Note No. 34.1 and 34.12 of the Financial Statements. The said notes are self-explanatory and do not call for any further comments.

### (b) Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Prashant S. Mehta, Practising Company Secretary, as its Secretarial Auditor to conduct the secretarial audit of the Company for the FY 2020-21. The report of Secretarial Auditor for the FY 2020-21 is annexed to this report as **Annexure I**.

The Secretarial Auditor has made certain observations in his report. Para 9(c) of the Board Report and Para 10(b) of the Report on Corporate Governance explain the status and the same may also be treated as the response to the Secretarial Auditors' observations.

### (c) Compliance with Secretarial Standards

The Secretarial Audit Report confirms that the Company has complied with applicable Secretarial Standards.

### (d) Reporting of Frauds by Auditors

During the year under review, no frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board Report.

## 21. Employee Remuneration

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **Annexure II**.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is open for inspection at the Registered Office of the Company during working hours up to the date of ensuing Annual General Meeting. In terms of Section 136 of the Act, the Reports and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid particulars of employees. A copy of this statement may be obtained by the Members by writing to the Company Secretary.