

# ANNUAL REPORT

2021-22



## HLV LIMITED

[www.hvltd.com](http://www.hvltd.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

# 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

## REGISTRAR & TRANSFER AGENTS

KFin Technologies 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)

## KEY MANAGERIAL PERSONNEL

Mr. Vivek Nair	Chief Executive Officer
Mr. Dinesh Nair	Joint Chief Executive Officer
Mr. Umesh Dombé	Chief Financial Officer
Ms. Savitri Yadav	Company Secretary

## REGISTERED & CORPORATE OFFICE

The Leela  
Sahar  
Mumbai - 400 059  
E-mail: [investor.service@hlvlt.com](mailto:investor.service@hlvlt.com)  
Website: [www.hlvlt.com](http://www.hlvlt.com)

## STATUTORY AUDITORS

N. S. Shetty & Co.  
Chartered Accountants

## SOLICITORS & ADVOCATES

Cyril Amarchand Mangaldas

Corporate Identity Number (CIN): L55101MH1981PLC024097  
41<sup>st</sup> Annual General Meeting  
Date | Wednesday, 24<sup>th</sup> August, 2022  
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.hlvlt.com](http://www.hlvlt.com)

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# DIRECTORS' REPORT

Dear Members

Your Directors' present the 41<sup>st</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, 2022.

## 1. Financial Performance

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

₹ Lakhs

Particulars	Financial year 2021-22	Financial Year 2020-21
<b>Revenue from Operations</b>	<b>7,299.71</b>	1,892.05
<b>Other Income</b>	<b>332.32</b>	2,521.73
<b>Total income</b>	<b>7,632.03</b>	4,413.78
Less: Expenses other than finance costs and depreciation / amortization	<b>9,374.96</b>	7,190.93
Less: Finance costs	<b>235.34</b>	229.89
Less: Depreciation and amortisation expenses	<b>1,276.37</b>	1,351.70
<b>Profit/(loss) before exceptional items and Tax</b>	<b>(3,254.64)</b>	(4,358.74)
Exceptional items - Profit/(loss) (net)	<b>(996.32)</b>	766.15
<b>Profit/(loss) before Tax</b>	<b>(4,250.96)</b>	(3,592.59)
<b>Tax expense</b>	-	-
<b>Profit/(loss) after Tax</b>	<b>(4,250.96)</b>	(3,592.59)
Other comprehensive income / (loss), net of tax	<b>301.66</b>	30.27
<b>Total comprehensive income for the year</b>	<b>(3,949.30)</b>	(3,562.32)
Earnings Per Share (Basic and Diluted)	<b>(0.66)</b>	(0.57)

Your Company recorded a turnover of ₹ 7,632.03 Lakhs as against ₹ 4,413.78 Lakhs in previous financial year. The Company registered loss before tax of ₹ 4,250.96 Lakhs for the financial year ended 31<sup>st</sup> March, 2022 against a loss before tax of ₹ 3,592.59 Lakhs 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, 2022.

## 2. Share Capital

During the year, pursuant to members' approval dated 18<sup>th</sup> August, 2021, the Company issued and allotted 2,87,08,133 Equity Shares of ₹ 2/- each, fully paid up at an issue price of ₹ 10.45 per share including a premium of ₹ 8.45 per share on preferential basis to M/s. Rockfort Estate Developers Private

Limited, a promoter group entity on conversion of their loan. The issued and paid up share capital of the Company stands at ₹ 131,85,19,798/- (Rupees one hundred thirty one crores eighty five lakhs nineteen thousand seven hundred ninety eight only) divided into 65,92,59,899 (sixty five crores ninety two lakhs fifty nine thousand eight hundred ninety nine) 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, 2022 in view of operational losses.

## 5. Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], the Board of Directors of the Company had formulated a Dividend Distribution Policy ('the Policy'). The Policy is available on the Company's website at [https://www.hlvtd.com/assets/investors\\_relations/Dividend%20Distribution%20Policy.pdf](https://www.hlvtd.com/assets/investors_relations/Dividend%20Distribution%20Policy.pdf)

## 6. 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

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year i.e. 31<sup>st</sup> March, 2022 and date of this Directors' Report i.e. 27<sup>th</sup> May, 2022.

## 7. 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.

## 8. 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 then 8.72% (at present 8.34%) of the equity share capital, have on 22<sup>nd</sup> 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. Though the case was listed from time to time, due to paucity of time the matter will be taken up in due course of time.



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 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 of time.

## **(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. Though the case was listed from time to time, due to paucity of time the matter will be taken up in due course of time.

In the meantime, the Company has approached AAI to settle the matter, which is progressing before the Settlement Advisory Committee (SAC) duly constituted by the Board of AAI since December, 2019. 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.

Though the case was listed from time to time, due to paucity of time the matter will be taken up in due course of time.

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.

## **9. 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 of this Board Report.

## **10. 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) Director retiring by rotation**

Ms. Amruda Nair (DIN 06716791) 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) as Non-Executive Director of the Company liable to retire by rotation.

#### **(b) 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 and are serving their term of five years as Independent Directors as permitted under Section 167(1)(a) of the Companies Act, 2013.

**(c) 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 ("the Act") 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" and are serving their term of five years as Independent Directors as permitted under Section 167(1)(a) of the Companies Act, 2013.

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

All 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.

**(d) Woman Director**

Your Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to appointment of woman director. Your Company has three women directors among them one is an independent director. Ms. Saija Nair is the Women Independent Director of the Company.

**ii. Key Managerial Personnel (KMP)**

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 Managerial 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.

During the Financial Year, the Board of Directors met four times i.e. on 19<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 11<sup>th</sup> February, 2022. 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 four 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 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 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. 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.

**vii. Risk Management Committee**

The Board of Directors constituted the Risk Management Committee on 27<sup>th</sup> October, 2021 in accordance with the provisions of Regulation 21 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee met once since its constitution. 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.

**viii. Policy on Directors' Appointment and Remuneration**

The Company has formulated and adopted the 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 Remuneration Policy is stated in the 'Report on Corporate Governance'.

**ix. 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.

**11. Directors' Responsibility Statement**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors, hereby state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ending 31<sup>st</sup> March, 2022, 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.

**12. 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.

### **13. 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.

### **14. 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.

### **15. Risk Management**

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan and policy for the Company. The Committee is responsible to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company and to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Policy of the Company includes a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee, measures for risk mitigation including systems and processes for internal control of identified risks and business continuity plan.

The development and implementation of risk management policy has been covered in the 'Management Discussion and Analysis', which forms part of this report.

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

All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis. During the year under review, your Company had entered into material related party transactions and these transactions too were in the ordinary course of business of your Company and were on arm's length basis, details of which are disclosed in Form AOC-2 as Annexure I pursuant to the requirements of section 134(3)(h) of the Companies Act, 2013, which forms part of this Report.

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'.

### **17. 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.

### **18. 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.hvlttd.com/investor\\_relation.html](https://www.hvlttd.com/investor_relation.html).

### **19. Loans, Guarantees or Investments**

During the year under review, the Company has not granted any loan or given any guarantee or made any investments under Section 186 of the Companies Act, 2013.

### **20. 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.

### **21. Auditors**

#### **(a) Statutory Auditors and Auditors' Report**

M/s. N. S. Shetty & Co., Chartered Accountants (Reg No. 110101W), were appointed as the Statutory Auditors of the Company for a tenure of five years, to hold office from the conclusion of the 36<sup>th</sup> AGM held on 18<sup>th</sup> September, 2017 until the





conclusion of the ensuing 41<sup>st</sup> AGM. Their tenure of five years as Statutory Auditors concludes at this ensuing AGM. The Board of Directors of the Company on the recommendation of the Audit Committee and pursuant to Section 139 of the Companies Act, 2013 has re-appointed M/s. N. S. Shetty & Co., as the Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of the ensuing 41<sup>st</sup> AGM till the conclusion of 46<sup>th</sup> AGM of the Company to be held in the year 2027, subject to approval by the Members at the ensuing AGM.

The Board recommends to seek consent of its Members at the ensuing AGM on re-appointment of M/s. N. S. Shetty & Co., as Statutory Auditors for a further period of five years.

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. 36.1 and 36.3 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 M/s. Kaushal Doshi & Associates, Practicing Company Secretaries, as its Secretarial Auditor to conduct the secretarial audit of the Company for the FY 2021-22. The report of Secretarial Auditor for the FY 2021-22 is annexed to this report as Annexure II.

The Secretarial Auditor has made certain observations in his report. Para 8 and 10 (i) (b) of the Board Report 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.

**22. 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 III.

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.

**23. Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo and Other Disclosures**

The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8) (3) of the Companies (Accounts) Rules, 2014 by your Company are furnished below:

**(a) Conservation of Energy**

Energy Conservation, sustainability and efforts to make the hotel more "Green" have been the main drive throughout the year. Major efforts / steps taken towards this are:

- Energy-efficient lighting like LED and energy efficient electrical equipments are installed extensively.
- High efficiency HVAC systems used/retrofitted extensively have reduced electrical consumption.
- Computerized Power Monitoring is implemented to monitor and control power consumption.
- Main chiller plants and steam boilers have been tuned for best efficiency, to conserve energy.
- Hotel is equipped with solar geysers for generating hot water and the rooms are equipped with energy- saving devices during non-occupancy.
- STP treated water and Rain Water Harvesting has been implemented.
- The Company has 3 windmills with a capacity of 4.5 MW power, in the State of Maharashtra. Windmills continue to produce renewable energy for use in its own hotel.

**(b) Technology Absorption**

In the opinion of the Board, the required particulars pertaining to technology absorption under Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable, as hotel is a service industry and the Company does not have any significant manufacturing operations.

**(c) Foreign Exchange Earnings and Outgo**

The foreign exchange earnings of the Company during the year stood at ₹ 763.31 lakhs (previous year ₹ 121.37 lakhs) and foreign exchange outgo during the year stood at ₹ 333.36 lakhs (previous year ₹ 25.54 lakhs).

## 24. Investor Education and Protection Fund (IEPF)

For details refer para on "Investor Education and Protection Fund (IEPF)" in 'Report on Corporate Governance' forming part of this Annual Report.

## 25. Other Disclosures /Reporting

Your Directors' state that no disclosure or reporting is required in respect of the following items as there were no transactions/ were not applicable pertaining to these items during the year under review:

- (a) The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with the requirement of Chapter V of the Act is not applicable.
- (b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (d) Details of Employee Stock Options
- (e) Shares held in Trust for the benefit of employees where the voting rights are not exercised directly by employees
- (f) Issue of Debenture, Bonds or any other Convertible Securities
- (g) Issue of warrants
- (h) Receipt of remuneration or commission from any of the subsidiaries by the Executive Directors of the Company.
- (i) During the financial year under review, your Company had no subsidiaries nor it has incorporated or acquired any company.

- (j) 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.
- (k) Maintenance of Cost Records as specified by the Central Government under section 148 (1) of the Companies Act 2013 is not required by the Company.

## 26. Acknowledgements

The Board wishes to place on record its appreciation for the assistance and support received from the lenders, government, regulatory authorities, customers, business associates and vendors.

Your Directors take this opportunity to express their sincere thanks to all the members and stakeholders for the faith and confidence reposed in the Company and the management.

Your Directors attach immense importance to the contribution of the employees and sincerely thank them for sharing the Company's vision and philosophy and for the dedication and commitment.

For and on behalf of the Board of Directors

**Vinay Kapadia**  
Chairman  
DIN: 07958301

Mumbai, 27<sup>th</sup> May, 2022