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# Independent Auditor's Report

## To the Members of SAMHI Hotels Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of SAMHI Hotels Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Going Concern | |
|---|---|
| See Note 48 to standalone financial statements | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| The standalone financial statements of the | Our audit procedures included: |

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| Company have been prepared on a going concern basis.<br><br>The Company has incurred a net loss of INR 656.36 million during the year ended 31 March 2023, and as of that date, the Company's current liabilities exceed its current assets by INR 3,614.48 million. Further, the Company has contractual cash outflows of INR 4,467.35 million (excluding future contractual interest payments) due within 12 months of the balance sheet date.<br><br>The Company has prepared budgets / cash flow forecasts, which involves judgement and estimation around the sources of funds to meet the financial obligations and cash flow requirements.<br><br>Based on the expected future cash flows, the Company has projected a net cash outflow of INR 1,488.32 million in the next 12 months of the balance sheet date. The future cash flows are projected considering the following:<br><br>• Expected increase in cash flow from operations.<br>• Availability of unrestricted cash and bank balances and undrawn credit facilities.<br>• Contractual cash outflows for repayment of borrowings and interest payment. These outflows have been considered after factoring refinancing of borrowings completed subsequent to the year end in one of the subsidiary company.<br>• Increase in Company's ability to obtain additional borrowings post the acquisition of ACIC portfolio. The acquisition of ACIC portfolio has been completed subsequent to the year end.<br><br>The Company expects to fund the net cash outflow position from the potential proceeds of Initial Public Offering ('IPO'), refinancing of its existing borrowings, additional borrowings that can be obtained post the ACIC acquisition and the management's plan to monetise few of its hotel properties held in subsidiaries, if required, to provide the Company with the desired liquidity to meet its contractual obligations and | • Enquired with the management and those charged with governance regarding the Company's ability to meet their obligations for the next 12 months.<br>• Assessed the appropriateness and reasonableness of the cash flow forecasts for the next 12 months.<br>• Compared the forecasted statement of profit and loss and cash flows with the Company's business plans approved by the board of directors.<br>• Evaluated the reasonableness of the assumptions used in the cash flow forecasts which includes occupancy rate, average room rate etc. To consider forecasting risk we also performed sensitivity analysis over these assumptions.<br>• Assessed the reliability of cash flow forecasts through a retrospective review of actual performance in comparison to budgets.<br>• Discussions with Book Running Lead Manager (BRLM) on the progress of the IPO process.<br>• Compared the projected cash inflows that the Company expects from monetization of its hotel properties held in subsidiaries with the fair valuation performed by an independent valuation expert.<br>• Obtained understanding of the terms and conditions of new borrowing facilities availed during the year/ subsequent to the year end and availability of cash and bank balances / undrawn credit facilities.<br>• Assessed the adequacy of disclosures in the standalone financial statements relating to uncertainties and mitigation thereof. |

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| liabilities as and when they fall due in the near future.<br><br>Considering the subjectivity involved in the assessment performed by the management and board of directors, we have identified the assessment of going concern assumption as a key audit matter. | |

**Impairment assessment of Property Plant and Equipment, Right of Use Assets and Other Intangible Assets**

See Note 55 to standalone financial statements

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| As at 31 March 2023, the carrying value of Property Plant and Equipment, Right of use assets and Other Intangible Assets amounts to Rs. 2,288.74 million.<br><br>The Company periodically assess whether there is any indication that such Property Plant and Equipment, Right of use assets and Other Intangible Assets at cash generating unit (CGU) level may be impaired. If any such indication exists, the Company estimates the recoverable amount of these assets and if the recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. That reduction is recorded as impairment loss.<br><br>To assess the recoverability of the CGU, management is required to make significant estimates and assumptions related to forecast of future revenue, operating margins, exit multiple and selection of the discount rates. The Company used the discounted cash flow approach to determine the recoverable value of the CGU. These assumptions are of particular importance due to the extent of judgment involved, thus changes in these assumptions could have a significant impact on the recoverable value of the CGU.<br><br>Considering the inherent uncertainty, complexity and judgement involved, impairment assessment of the above-mentioned assets has been considered as a | Our audit procedures included:<br><br>• Obtained an understanding of the Company's process for projecting the future cash flows for determining the recoverable amount of CGU.<br>• Tested the appropriateness of management's basis to identify relevant CGUs for which impairment testing is performed.<br>• Tested the design, implementation and operating effectiveness of key controls over the impairment assessment process.<br>• Evaluated the Company's key market related assumptions such as discount rate and exit multiple.<br>• Assessed the reliability of cash flow forecasts through a retrospective review of actual performance in comparison to budgets.<br>• Evaluated the reasonableness of the assumptions used in the cash flow forecasts which includes occupancy rate, average room rate. To consider forecasting risk we also performed sensitivity analysis over these assumptions.<br>• Assessed the appropriateness of the disclosures made in the standalone financial statements. |

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| key audit matter. | |

| **Impairment assessment of Investments in subsidiaries** | |
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| See Note 5 to standalone financial statements | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| The Company has performed an impairment assessment of its investments in subsidiaries. The gross value of Investments is Rs. 17,382.07 million and impairment of Rs. 4,169.42 million has been recorded till 31 March 2023.<br><br>The Company estimates the recoverable value of its investments in subsidiaries. To assess the recoverable value, management is required to make significant estimates and assumptions related to forecast of future revenue, operating margins, exit multiple and selection of the discount rates. The Company used the discounted cash flow approach to determine the recoverable value. These assumptions are of particular importance due to the extent of judgment involved, thus changes in these assumptions could have a significant impact on the recoverable value.<br><br>Considering the above, we have identified the impairment assessment of investments in subsidiaries as a key audit matter. | Our audit procedures included:<br><br>• Obtained an understanding of the Company's process for projecting the future cash flows for determining the recoverable amount of investments in subsidiaries.<br>• Tested the design, implementation and operating effectiveness of key controls over the impairment assessment process.<br>• Evaluated the Company's key market related assumptions such as discount rate and exit multiple.<br>• Assessed the reliability of cash flow forecasts through a retrospective review of actual performance in comparison to budgets.<br>• Evaluated the reasonableness of the assumptions used in the cash flow forecasts which includes occupancy rate, average room rate. To consider forecasting risk we also performed sensitivity analysis over these assumptions.<br>• Assessed and validated the appropriateness of the disclosures made in the standalone financial statements. |

| **Revenue recognition** | |
|---|---|
| See Note 1b.11 to standalone financial statements | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| The Company is principally engaged as a hotel owner. It's revenue comprises hotel revenue (including room revenue, food and beverage revenue and recreation and other services revenue).<br><br>The accounting policies for different revenue | Our audit procedures included:<br><br>• Tested the Company's revenue recognition accounting policies and its compliance with the relevant accounting standard.<br>• Tested design, implementation and operating |

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| streams are set out in Note 1b.11 to the standalone financial statements.<br><br>Revenue is a key performance indicator of the Company and there is risk of overstatement of revenue due to fraud resulting from pressure to achieve targets and earnings expectations.<br><br>Considering the above, we have identified revenue recognition as a key audit matter. | effectiveness of the key controls of the revenue recognition process.<br><br>• Performed substantive testing (including year-end cut off testing) by selecting samples of revenue transactions recorded during the year. For such samples, verified the underlying documents such as invoices, receipts etc.<br><br>• Tested the adequacy of disclosures relating to the revenue recognition in the standalone financial statements. |

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of certain softwares/ applications which form part of the books of account and other relevant books and papers in electronic mode have not been maintained on the servers physically located in India. Further, in respect of certain softwares / applications, we are unable to comment on whether the back-up of the books of account and other relevant books and papers in electronic mode has been kept on servers physically located in India on a daily basis due to lack of availability of sufficient information/ evidence.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. The matters described in the Basis for Qualified Opinion paragraph in "Annexure B" with respect to adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Company, in our opinion, may have an adverse effect on the functioning of the Company.

f. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

g. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.

h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 50 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 50 (vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

Rahul Nayar

**Rahul Nayar**

*Partner*

Place: Gurugram

Membership No.: 508605

Date: 17 August 2023

ICAI UDIN:23508605BGZYII4917

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property disclosed in the standalone financial statements are not held in the name of the Company, details of which are as follows:

| Relevent item in the balance sheet | Description of property | Gross carrying value (Rs. in millions) | Held in the name of | Whether promoter, director or their relative or employee | Period held- indicate range, where appropriate | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Property, plant and equipment -Freehold land | 4th Block, Municipal No. 1/2, 59th 'C' Cross, 4th 'M' Block, Rajajinagar, Bangalore | 548.00 | SAMHI Hotels Private Limited | No | April 2012 | Refer Note 52 to the standalone financial statements |
| Property, plant and equipment -Freehold land | S.Nos. 153/5, 153/6, 153/7 and 153/8, Mambakkam Village, Sriperumbudur Taluk, Kanchipuram district, Chennai | 235.10 | SAMHI Hotels Private Limited | No | November 2011 | Refer Note 52 to the standalone financial statements |
| Right of | District | 322.13 | Premier | No | February | Immovabl |



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## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

| Relevent item in the balance sheet | Description of property | Gross carrying value (Rs. in millions) | Held in the name of | Whether promoter, director or their relative or employee | Period held- indicate range, where appropriate | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| use assets (Land) | center crossing, outer ring road, opposite Galaxy Toyota Haiderpur, Shalimar Bagh, New Delhi 110088 | | Inn India Private Limited | | 2011 | e property has been acquired during the current year from Argon Hotels Private Limited.<br><br>Refer Note 52 to the standalone financial statements. |

The original title deeds are under lien with banks and financial institution for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmation from banks.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets. As informed to us and as per the terms of sanction letter of such limits, there is no requirement on the company to submit quarterly returns or statement with such bank.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments or granted any advances in nature of loans to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided security and guarantee and has granted unsecured loans to companies and employees during the year in respect of which the requisite information

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

is as below. The Company has not provided any security or guarantee, granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, guarantee and securities to entities as below:

| Particulars | Security (Rs. in millions) | Guarantee (Rs. in millions) | Loans (Rs. in millions) |
|---|---|---|---|
| Aggregate amount during the year | | | |
| Subsidiaries* | 3,676.94 | 4,400.00 | 535.17 # |
| Others | - | - | 4.00 |
| Balance outstanding as at balance sheet date | | | |
| Subsidiaries* | 4,907.39 | 4,400.00 | 7,649.85 |
| Others | - | - | 66.84 |

**As per the Companies Act, 2013*

*# includes Rs. 20 million disclosed as deemed investment in the Standalone Financial Statements.*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the terms and conditions of the grant of loans, guarantees provided and securities given during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not given any advances in the nature of loan to any party during the year. Terms and conditions of interest-bearing loans granted to subsidiaries are not prejudicial to the interest of the Company. Interest free loans granted, securities given and guarantees provided are only to protect its investments in subsidiary companies and accordingly are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the following cases where there is no stipulation of schedule of repayment of principal and payment of interest and accordingly we are unable to comment on the regularity of repayment of principal and payment of interest:.

| Name of the entity | Nominal amount (Rs. in Millions) | Remarks |
|---|---|---|
| SAMHI Hotels (Gurgaon) Private Limited | 313.67 | There is not stipulation of schedule of repayment of principal or payment of |

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

| Name of the entity | Nominal amount (Rs. in Millions) | Remarks |
|---|---|---|
| | | interest |
| CASPIA Hotels Private Limited | 2,351.76 | There is no stipulation of repayment of principal or payment of interest |
| Ascent Hotels Private Limited | 315.25 | There is no stipulation of repayment of principal or payment of interest |
| Barque Hotels Private Limited | 2,456.82 | There is no stipulation of repayment of principal or payment of interest |
| Argon Hotels Private Limited | 898.97 | There is no stipulation of repayment of principal or payment of interest |

Further, the Company has not given any advances in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of loans granted amounting to Rs. 6,336.48 millions (balance as at 31 March 2023) to various subsidiaries (details provided below), the schedule for repayment of principal and interest have not been been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days.

| Name of the entity | Nominal amount (Rs. in Millions) | Remarks |
|---|---|---|
| SAMHI Hotels (Gurgaon) Private Limited | 313.67 | There is not stipulation of schedule of repayment of principal or payment of interest |
| CASPIA Hotels Private Limited | 2,351.76 | There is no stipulation of repayment of principal or payment of interest |
| Ascent Hotels Private Limited | 315.25 | There is no stipulation of repayment of principal or payment of interest |
| Barque Hotels Private Limited | 2,456.82 | There is no stipulation of repayment of principal or payment of interest |
| Argon Hotels Private Limited | 898.97 | There is no stipulation of repayment of principal or |

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

| Name of the entity | Nominal amount (Rs. in Millions) | Remarks |
|---|---|---|
| | | payment of interest |

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, following instances of loan falling due during the year was renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties:

| Name of the parties | Aggregate amount of loans or advances in the nature of loan granted during the year (Rs. in millions) | Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (Rs. in millions) | Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year |
|---|---|---|---|
| Loan to employee | 539.17 | 4.00 | 0.74% |

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

| Particulars | Related Parties (Rs. in millions) |
|---|---|
| Aggregate of loans<br>- Repayable on demand (A)<br>- Agreement does not specify any terms or period of Repayment (B) | <br>Nil<br>20.00 |
| Total (A+B) | 20.00 |
| Percentage of loans to the total loans | 3.71% |

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 of the Companies Act, 2013 ("the Act") have been complied with. The Company has complied with Section 186(1) of the Act. According to the information and explanations given to us, the provisions of Section 186 (except for sub-section (1) of the Section 186) of the Companies Act, 2013 are not applicable to the Company since the Company is engaged in the business of providing infrastructural facilities.

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services rendered by the company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise and Sales tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Value Added Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund and Employee State Insurance. Undisputed statutory dues on account of Goods and Services tax have not been regularly deposited by the company with the appropriate authorities and there have been serious delays in a few cases. Further, in respect of Tax deducted at Source, the company has been irregular in depositing the sum due througout the year and the amount involved is Rs. 97.72 million.

As explained to us, the Company did not have any dues on account of Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Value Added Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

| Name of the statute | Nature of the dues | Amount (Rs. in Millions) | Period to which the amount relates | Due date | Date of payment |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Tax deducted at source | 0.14 | April 2021 to March 2022 | Various dates | Not yet paid |
| The Employees' Provident Funds And Miscellaneous Provisions Act, 1952 | Provident fund (Additional liability due to Supreme Court Judgement) | 0.14 | March 2019 | 15 April 2019 | Not yet paid |
| Central Goods and Service Act,2017 and State Goods and | Interest liability on GST | 0.89 | April 2020 to August 2021 | Various dates | Not yet paid |

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

| Name of the statute | Nature of the dues | Amount (Rs. in Millions) | Period to which the amount relates | Due date | Date of payment |
|---|---|---|---|---|---|
| Service Act,2017 | | | | | |

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Value Added Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (Rs. in Millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act,1961 | Addition to the taxable income | 18.13 | FY 2015-16 | Commissioner of Income Tax (Appeals) |

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than Rs 499.74 millions which remain unutilised as at 31 March 2023 because the funds were received towards the end of the year. The Company has temporarily parked such unutilised balance in cash and cash equivalents as at 31 March 2023.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company except for the funding operations for the year.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries (as defined under the Act) as per details below:

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

| Nature of fund taken | Name of lender | Amount involved (Rs. in Millions) | Name of the relevant subsidiary | Relation ship | Nature of transaction for which funds utilised | Remarks, if any |
|---|---|---|---|---|---|---|
| Term Loan | NBFC | 22.50 | Ascent Hotels Private Limited | Subsidiary | Onward lending to subsidiary | As explained to us by the management, it is not possible to establish a one-to-one relationship between funds borrowed and loans granted to subsidiaries by the Company during the current year. |
| Term Loan | Financial institution | 512.67 | Ascent Hotels Private Limited<br>Argon Hotels Private Limited<br>SAMHI Hotels (Ahmedabad) Private Limited<br>Barque Hotels Private Limited | Subsidiary companies | Onward lending to subsidiaries | |

The Company does not have any joint venture or associates.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully convertible debentures during the year. In our opinion, in respect of private placement of interest liability of non-convertible debentures where the Company has settled this liability by issuing equity shares (refer note 21), the Company has duly complied with the requirements of Section 42 and Section 62 of the Act.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. As informed to us, uptill 08 March 2023, the company does not have requisite number of independent directors on its Board of Directors to perform the functions of Audit Committee. Accordingly, the Board of Directors of the Company were performing the functions of the Audit Committee till the said date.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has incurred cash losses of Rs. 756.91 Millions in the current financial year and Rs. 900.04 Millions in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to Note 48 to the standalone financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2023. Further, the Company's current liabilities exceed its current assets as at 31 March 2023 by Rs. 3,614.48 million.

Further, it explains the management's assessment of going concern assumption and its assertion that based on best estimates made by it, the Company will continue as a going concern i.e. continue its operations and will be able to discharge its liabilities and realise its assets, for the foreseeable future.

On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

Rahul Nayar

**Rahul Nayar**

*Partner*

Place: Gurugram

Date: 17 August 2023

Membership No.: 508605

ICAI UDIN:23508605BGZYII4917

# Annexure B to the Independent Auditor's Report on the standalone financial statements of SAMHI Hotels Limited for the year ended 31 March 2023

## Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

### Qualified Opinion

We have audited the internal financial controls with reference to financial statements of SAMHI Hotels Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note") and except for the effects/possible effects of the material weaknesses described in "Basis for Qualified Opinion" section of our report below, on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of 31 March 2023.

We have considered the material weaknesses identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of 31 March 2023 standalone financial statements of the Company, and the material weaknesses do not affect our opinion on the standalone financial statements of the Company.

### Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal controls with reference to financial statements as at 31 March 2023:

1. The Company's internal financial controls with reference to financial statements in respect of General Information Technology Controls (GITCs) and automated Information Technology Application Controls over the Company's Opera application software were not operating effectively as at 31 March 2023. This could potentially result in understatement / overstatement of revenue from operations in the Company's standalone financial statements..
2. The Company's internal financial controls with reference to financial statements in respect of reconciliation of amounts paid by the customers through credit card with receipts recorded in the books of account were not operating effectively as at 31 March 2023. This could potentially result in material misstatement in the carrying value of credit card receivables in the Company's standalone financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

### Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate

## Annexure B to the Independent Auditor's Report on the standalone financial statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)*

internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of

**Annexure B to the Independent Auditor's Report on the standalone financial statements of SAMHI Hotels Limited for the year ended 31 March 2023 *(Continued)***

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No.:101248W/W-100022

Rahul Nayar

**Rahul Nayar**
*Partner*
Membership No.: 508605
ICAI UDIN:23508605BGZYII4917

Place: Gurugram
Date: 17 August 2023

**SAMHI Hotels Limited**
**CIN U55101DL2010PLC211816**
**Standalone Balance Sheet as at 31 March 2023**
*(All amounts in Rupees millions, unless otherwise stated)*

| | Note | As at 31 March 2023 | As at 31 March 2022 (Re-presented)* |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1,914.18 | 1,975.53 |
| Right-of-use assets | 3 | 369.01 | 330.39 |
| Other intangible assets | 4 | 5.55 | 10.35 |
| Financial assets | | | |
| Investment in subsidiaries | 5 | 13,212.65 | 14,111.14 |
| Loans | 6 | 1,379.38 | 1,006.93 |
| Other financial assets | 7 | 116.77 | 118.70 |
| Income tax assets (net) | 8 | 10.39 | 30.21 |
| Other non-current assets | 10 | 3.33 | 3.78 |
| **Total non-current assets** | | **17,011.26** | **17,587.03** |
| **Current assets** | | | |
| Inventories | 11 | 4.47 | 2.19 |
| Financial assets | | | |
| Trade receivables | 12 | 295.89 | 217.27 |
| Cash and cash equivalents | 13 | 603.97 | 488.37 |
| Bank balances other than cash and cash equivalents above | 14 | 10.32 | 1.76 |
| Loans | 14a | 0.26 | 4.26 |
| Other financial assets | 15 | 28.38 | 4.72 |
| Other current assets | 16 | 186.67 | 37.11 |
| **Total current assets** | | **1,129.96** | **755.68** |
| **TOTAL ASSETS** | | **18,141.22** | **18,342.71** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 | 85.33 | 76.27 |
| Other equity | 18 | 8,082.17 | 7,046.08 |
| **Total equity** | | **8,167.50** | **7,122.35** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 19 | 5,147.71 | 7,754.36 |
| Lease liabilities | 20 | 45.23 | 8.86 |
| Other financial liabilities | 21 | - | 1,584.70 |
| Provisions | 22 | 36.34 | 27.47 |
| **Total non-current liabilities** | | **5,229.28** | **9,375.39** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 23 | 4,110.14 | 537.70 |
| Lease liabilities | 24 | 16.40 | 16.35 |
| Trade payables | 25 | | |
| - total outstanding dues of micro enterprises and small enterprises; and | | 13.82 | 4.30 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 418.36 | 265.83 |
| Other financial liabilities | 26 | 48.88 | 792.26 |
| Other current liabilities | 27 | 121.31 | 220.99 |
| Provisions | 28 | 15.53 | 7.54 |
| **Total current liabilities** | | **4,744.44** | **1,844.97** |
| **TOTAL EQUITY AND LIABILITIES** | | **18,141.22** | **18,342.71** |

* The comparative information is re-presented (refer note 54)

The notes from Note 1 to Note 56 form an integral part of these financial statements.

As per our report of even date attached

*For* **B S R & Co. LLP**
*Chartered Accountants*
ICAI Firm Registration No.: 101248W/W-100022

Rahul Nayar

**Rahul Nayar**
*Partner*
Membership No.: 508605

Place: Gurugram
Date: 17 August 2023

*For* and on behalf of Board of Directors of
**SAMHI Hotels Limited**

**Ashish Jakhanwala**
*Chairman, Managing Director and CEO*
DIN:03304345

Place: Gurugram
Date: 17 August 2023

**Rajat Mehra**
*Chief Financial Officer*

Place: Gurugram
Date: 17 August 2023

**Sanjay Jain**
*Company Secretary*
Membership No.: F6137

Place: Gurugram
Date: 17 August 2023

**SAMHI Hotels Limited**
**CIN U55101DL2010PLC211816**
**Standalone Statement of Profit and Loss for the year ended 31 March 2023**
*(All amounts in Rupees millions, unless otherwise stated)*

| | Note | For the year ended 31 March 2023 | For the year ended 31 March 2022 (Re-presented)* |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 29 | 1,026.31 | 694.44 |
| Other income | 30 | 192.85 | 27.49 |
| **Total income** | | **1,219.16** | **721.93** |
| **Expenses** | | | |
| Cost of materials consumed | 31 | 57.46 | 42.88 |
| Employee benefits expense | 32 | 344.08 | 267.48 |
| Other expenses | 35 | 380.54 | 311.74 |
| **Total expenses** | | **782.08** | **622.10** |
| **Earnings before finance cost, depreciation and amortisation, exceptional items and tax** | | **437.08** | **99.83** |
| Finance costs | 33 | 972.11 | 823.03 |
| Depreciation and amortisation expense | 34 | 96.59 | 101.20 |
| | | **1,068.70** | **924.23** |
| **Loss before exceptional items and tax** | | **(631.62)** | **(824.40)** |
| Exceptional items | 35a | 22.41 | - |
| **Loss before tax** | | **(654.03)** | **(824.40)** |
| **Tax expense** | 9 | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| **Loss for the year** | | **(654.03)** | **(824.40)** |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to profit or loss* | | | |
| - Re-measurement (loss)/gain on defined benefit obligations | 32 | (2.33) | 0.07 |
| - Income tax relating to items mentioned above | | - | - |
| **Other comprehensive (loss)/income, net of tax** | | **(2.33)** | **0.07** |
| **Total comprehensive loss for the year** | | **(656.36)** | **(824.33)** |
| **Earnings/(loss) per equity share (Face value of INR 1 each):** | | | |
| Basic (INR) | 36 | (8.49) | (10.81) |
| Diluted (INR) | | (8.49) | (10.81) |

* The comparative information is re-presented (refer note 54)

The notes from Note 1 to Note 56 form an integral part of these financial statements.

As per our report of even date attached

*For* **B S R & Co. LLP**
*Chartered Accountants*
ICAI Firm Registration No.: 101248W/W-100022

Rahul Nayar

**Rahul Nayar**
*Partner*
Membership No.: 508605

Place: Gurugram
Date: 17 August 2023

*For* and on behalf of Board of Directors of
**SAMHI Hotels Limited**

**Ashish Jakhanwala**
*Chairman, Managing Director and CEO*
DIN:03304345

Place: Gurugram
Date: 17 August 2023

**Rajat Mehra**
*Chief Financial Officer*

Place: Gurugram
Date: 17 August 2023

**Sanjay Jain**
*Company Secretary*
Membership No.: F6137

Place: Gurugram
Date: 17 August 2023

**SAMHI Hotels Limited**
**CIN U55101DL2010PLC211816**
**Standalone Statement of Cash Flows for the year ended 31 March 2023**
*(All amounts in Rupees millions, unless otherwise stated)*

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 (Re-presented)* |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| **Loss before tax** | (654.03) | (824.40) |
| **Adjustments to reconcile loss before tax to net cash flows:** | | |
| Depreciation and amortisation expense | 96.59 | 101.20 |
| Finance costs | 972.11 | 823.03 |
| Interest income | (15.32) | (26.88) |
| Interest income from subsidiaries | (173.91) | - |
| Loss allowance for trade receivables | 7.85 | 0.16 |
| Loss on sale of property, plant and equipment | 0.54 | 0.60 |
| Loss on foreign exchange fluctuation (net) | 8.20 | 3.42 |
| Provision no longer required written back | (3.15) | - |
| Unwinding of discount on security deposit | (0.45) | (0.40) |
| Share based payments | 26.06 | - |
| (Gain)/ Loss on fair valuation of derivative component of FCCDs | - | 3.30 |
| Government grant | - | (0.05) |
| **Operating cash flows before movement in assets and liabilities** | **264.49** | **79.98** |
| (Increase)/Decrease in inventories | (2.28) | 1.71 |
| (Increase) in trade receivables | (86.47) | (114.46) |
| (Increase)/Decrease in other financial assets | (17.57) | 3.58 |
| (Increase)/Decrease in other assets | (149.00) | 1.43 |
| (Increase) in loans | (0.27) | (15.73) |
| Increase in trade payables | 155.62 | 60.78 |
| (Decrease)/Increase in other liabilities | (100.29) | 134.30 |
| Increase/(Decrease) in provisions | 14.53 | (3.40) |
| (Decrease) in other financial liabilities | (17.41) | (13.41) |
| **Cash generated from operations** | **61.35** | **134.79** |
| Income taxes refunded / (paid) (net) | 21.75 | (10.23) |
| **Net cash generated from operating activities (A)** | **83.10** | **124.56** |
| **B. Cash flows from investing activities** | | |
| Proceeds from sale of property, plant and equipment | 4.28 | 3.90 |
| Purchase of property, plant and equipment and intangible assets | (17.53) | (4.71) |
| Loan provided to subsidiaries (including interest free loan) | (535.17) | (1,185.78) |
| Repayment of loan by subsidiaries (including interest free loan) | 407.22 | 35.00 |
| Bank deposits matured | 2,742.00 | 675.02 |
| Bank deposits made | (2,756.45) | (723.69) |
| Interest received | 27.56 | 9.49 |
| **Net cash used in investing activities (B)** | **(128.09)** | **(1,190.77)** |
| **C. Cash flows from financing activities** | | |
| Proceeds from long term borrowings | 1,516.60 | 2,674.33 |
| Repayment of long term borrowings | (472.38) | (1,633.21) |
| Proceeds from Non convertible debentures (unsecured) | - | 225.00 |
| Proceeds from Optionally convertible debentures | - | 78.00 |
| Advance received from subsidiary | - | 848.50 |
| Advance given to subsidiary | - | (850.00) |
| Lease payments | (16.35) | (14.81) |
| Interest on lease liabilities | (1.78) | (3.33) |
| Finance costs paid | (566.95) | (724.74) |
| Proceeds/(repayment) from current borrowings - net | (298.55) | 289.21 |
| **Net cash obtained from financing activities (C)** | **160.59** | **888.95** |
| **Net (decrease)/increase in cash and cash equivalents (A + B + C)** | **115.60** | **(177.26)** |
| Cash and cash equivalents at the beginning of the year | 488.37 | 665.63 |
| **Cash and cash equivalents at the end of the year** | **603.97** | **488.37** |

S R B & Co LLP Gurugram

SAMHI HOTELS LIMITED

SAMHI Hotels Limited
CIN U55101DL2010PLC211816
**Standalone Statement of Cash Flows for the year ended 31 March 2023**
*(All amounts in Rupees millions, unless otherwise stated)*

**Notes to standalone statement of Cash Flows**

**i. Components of Cash and cash equivalents**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented)* |
|---|---|---|
| Cash on hand | 0.57 | 0.41 |
| Balances with banks | | |
| - on current accounts | 595.90 | 487.96 |
| - on deposit accounts (with original maturity of 3 months or less) | 7.50 | - |
| | **603.97** | **488.37** |

**ii. Movement in financial liabilities - Borrowings including accrued interest**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented)* |
|---|---|---|
| **Openning Balance** | 8,292.14 | 6,554.42 |
| **Changes from financing cash flows** | | |
| Proceeds from long term borrowings | 1,516.60 | 2,674.33 |
| Repayment of long term borrowings | (472.38) | (1,633.21) |
| Proceeds from Non convertible debentures (unsecured) | - | 225.00 |
| Proceeds from Optionally convertible debentures | - | 78.00 |
| Advance received from subsidiary | - | 848.50 |
| Advance given to subsidiary | - | (850.00) |
| Proceeds/(repayment) from current borrowings - net | (298.55) | 289.21 |
| Finance costs paid | (566.95) | (724.74) |
| **Other non cash changes** | | |
| Finance cost expense | 970.33 | 830.63 |
| Conversion of Optionally Convertible Debentures (unsecured) to equity shares (including securities premium) | (159.23) | - |
| **Closing Balance** | **9,281.96** | **8,292.14** |

**iii.** For movement in lease liabilities, Refer Note 46

**iv.** The Cash Flows from operating activities section in standalone Statement of Cash flows has been prepared in accordance with the 'Indirect Method' as set out in the Ind AS 7 "Statement of Cash Flows".

* The comparative information is re-presented (refer note 54)

The notes from Note 1 to Note 56 form an integral part of these financial statements.

As per our report of even date attached

***For* B S R & Co. LLP**
*Chartered Accountants*
ICAI Firm Registration No.: 101248W/W-100022

Rahul Nayar

**Rahul Nayar**
*Partner*
Membership No.: 508605

Place: Gurugram
Date: 17 August 2023

*For* and on behalf of Board of Directors of
**SAMHI Hotels Limited**

**Ashish Jakhanwala**
*Chairman, Managing Director and CEO*
DIN:03304345

Place: Gurugram
Date: 17 August 2023

Rajat Mehra
*Chief Financial Officer*

Place: Gurugram
Date: 17 August 2023

**Sanjay Jain**
*Company Secretary*
Membership No.: F6137

Place: Gurugram
Date: 17 August 2023

**SAMHI Hotels Limited**
**CIN U55101DL2010PLC211816**
**Standalone Statement of Changes in Equity for the year ended 31 March 2023**
*(All amounts in Rupees millions, unless otherwise stated)*

**a. Equity share capital**

| Particulars | Number of shares | Amount |
|---|---|---|
| **As at 1 April 2021 (Re-presented)** | **76,270,704** | **76.27** |
| Changes in equity share capital during the year | - | - |
| **As at 31 March 2022 (Re-presented)** | **76,270,704** | **76.27** |
| Changes in equity share capital during the year | 9,063,846 | 9.06 |
| **As at 31 March 2023** | **85,334,550** | **85.33** |

**b. Other equity (refer note 18)**

| Particulars | Reserves and Surplus | | | Amalgamation adjustment deficit account (refer note 54) | Other comprehensive income | Total |
|---|---|---|---|---|---|---|
| | Securities premium | Share options outstanding account | Retained earnings | | Remeasurement of defined benefit plans | |
| **Balance as at 1 April 2021 (Re-presented)** | **11,006.89** | **76.58** | **(2,979.90)** | **(233.16)** | - | **7,870.41** |
| Loss for the year | - | - | (824.40) | - | - | **(824.40)** |
| Other comprehensive income (net of tax) | - | - | - | - | 0.07 | **0.07** |
| **Total comprehensive income** | - | - | **(824.40)** | - | **0.07** | **(824.33)** |
| Transferred to retained earnings | - | - | 0.07 | | (0.07) | - |
| **Balance as at 31 March 2022 (Re-presented)** | **11,006.89** | **76.58** | **(3,804.23)** | **(233.16)** | - | **7,046.08** |
| Loss for the year | - | - | (654.03) | - | - | **(654.03)** |
| Share-based payment expense (refer note 45) | - | 26.06 | - | - | - | **26.06** |
| Other comprehensive loss (net of tax) | - | - | - | - | (2.33) | **(2.33)** |
| **Total comprehensive income** | - | **26.06** | **(654.03)** | - | **(2.33)** | **(630.30)** |
| Additions made during the year (net of tax) | 1,666.39 | - | - | - | - | **1,666.39** |
| Transferred to retained earnings | - | (76.58) | 74.25 | - | 2.33 | - |
| **Balance as at 31 March 2023** | **12,673.28** | **26.06** | **(4,384.01)** | **(233.16)** | - | **8,082.17** |

The notes from Note 1 to Note 56 form an integral part of these financial statements.

As per our report of even date attached

***For* B S R & Co. LLP**
*Chartered Accountants*
ICAI Firm Registration No.: 101248W/W-100022

Rahul Nayar

**Rahul Nayar**
*Partner*
Membership No.: 508605

Place: Gurugram
Date: 17 August 2023

*For* and on behalf of Board of Directors of
**SAMHI Hotels Limited**

**Ashish Jakhanwala**
*Chairman, Managing Director and CEO*
DIN:03304345

Place: Gurugram
Date: 17 August 2023

**Rajat Mehra**
*Chief Financial Officer*

Place: Gurugram
Date: 17 August 2023

**Sanjay Jain**
*Company Secretary*
Membership No.: F6137

Place: Gurugram
Date: 17 August 2023

## 1a(i) Corporate information

SAMHI Hotels Limited ('the Company') is a Company domiciled in India. The Company was incorporated in India on 28 December 2010 as per the provisions of Indian Companies Act and is limited by shares.

The Company is a hotel development and investment company with focus on operating internationally branded hotels across key cities in the Indian sub-continent.

Presently the Company has three operational hotels under it i.e., Fairfield by Marriott- Bengaluru, Fairfield Sriperumbudur- Chennai and Caspia- New Delhi.

## 1a(ii) Basis of preparation

### A. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors of the Company on 17 August 2023.

### B. Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

### C. Basis of Measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement Basis |
|---|---|
| Financial assets and liabilities i.e., derivative instruments | Fair Value |

Also refer note 48 for going concern basis of accounting used by the management.

### D. Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that may require material adjustment to the carrying value of assets or liabilities affected in future periods.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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The following are the significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements:

**i) Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', which involves key assumptions about the likelihood and magnitude of an outflow of resources.

**ii) Leases**

*Critical judgements in determining the lease period:*

Ind AS 116 required lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in the future possible periods are reassessed to ensure that the lease term reflects the current economic circumstances.

*Critical judgements in determining the discount rate:*
The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for the portfolio of leases with similar characteristics.

**iii) Useful lives and impairment assessment of property, plant and equipment, right of use assets and other intangible assets**

The estimated useful lives and recoverable amounts of property, plant and equipment, right of use assets and other intangible assets are based on estimates and assumptions regarding the expected market outlook, expected future cash flows, obsolescence, demand, competition, known technological advances. The Company reviews the useful lives and recoverable amounts of property, plant and equipment, right of use assets and other intangible assets at the end of each reporting date.

**iv) Employee benefit obligations**

Employee benefit obligations (gratuity and compensated absences) are determined using actuarial valuations, which involves determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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**v) Fair value measurement of financial instruments**

The fair values of financial instruments recorded in the standalone balance sheet in respect of which quoted prices in active markets are not available, are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also, refer note 40 for further disclosures.

**vi) Recognition of Deferred tax assets/liabilities**

Recognition of deferred tax assets/liabilities involves making judgements and estimations about the availability of future taxable profit against which carried forward tax losses can be used. A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**vii) Going Concern assumption**

The standalone financial statements of the Company have been prepared on a going concern basis. The Company has incurred a net loss of INR 656.36 million during the year ended 31 March 2023, and as of that date, the Company's current liabilities exceed its current assets by INR 3,614.48 million. Further, the Company has contractual cash outflows of INR 4,467.35 million (excluding future contractual interest payments) due within 12 months of the balance sheet date.

The Company has prepared budgets / cash flow forecasts, which involves judgement and estimation around the sources of funds to meet the financial obligations and cash flow requirements. Also refer note 48.

**E. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or

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- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

**Operating cycle**

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

F. **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team of the Company has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Company's Chief Financial Officer.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Further information about the assumptions made in measuring fair values is included in Note 40.

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## 1b. Summary of significant accounting policies

### 1) Property, plant and equipment

**Recognition and measurement**

Property, plant and equipment including capital work in progress are measured at cost less accumulated depreciation and any accumulated impairment losses if any.

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

Cost comprises the purchase price, import duties and other non-refundable taxes or levies, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

**Subsequent costs and disposal**

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the profit or loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

**Depreciation**

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates). Further, leasehold improvements are depreciated over the shorter of lease term and their useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life.

Depreciation on addition/ (disposals) is provided on a pro-rata basis i.e. from / (up to) the date on which the asset is ready for use/ (disposed off).

The management estimate of the useful life of various categories of assets is as follows:

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*(All amounts in Rupees millions, unless otherwise stated)*

| Asset Category* | Useful Life (Years) | Useful life as per Schedule II to the Companies Act, 2013 (Years) |
|---|---|---|
| Building | 15-60 | 60 |
| Computers and accessories | 3-6 | 3-6 |
| Plant and machinery | 3-30 | 15 |
| Furniture and fixtures | 5-8 | 10 |
| Vehicles | 8 | 8 |
| Office equipment | 5-10 | 5 |

* For the above class of assets, the management based on internal technical evaluation, has determined that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives of few assets included in the above asset categories are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property plant and equipment's are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

**Transition to Ind AS**

The Company had elected to use the fair value of all the items of property, plant and equipment on the date of transition i.e. 1 April 2015, and designate the same as deemed cost. Fair value was determined by obtaining an external third-party valuation, a level 3 valuation technique.

**2) Intangible assets**

**Recognition and measurement**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

**Amortisation**

Intangible assets of the Company represent computer software. Computer software are amortized using the straight-line method over the estimated useful life (at present three to ten years). The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

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**3) Financial instruments**

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

*Financial assets*

*i. Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets (except trade receivable without a significant financing component) are initially recognised at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). However, if there is a difference between the transaction price and the fair value of financial instruments whose fair value is based on a quoted price in an active market or a valuation technique that uses only data from observable markets, the Company recognizes the difference as a gain or loss at inception ('day 1 gain or loss'). In all other cases, the entire day 1 gain or loss is deferred and recognised in the Statement of Profit and Loss over the life of the transaction until the transaction matures or is closed out. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

*ii. Classification and subsequent measurement*

*Financial assets*

On initial recognition, a financial asset is classified as measured at:
- Amortised cost
- Debt investment measured at fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)
- Equity investments measured at fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

*Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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*Financial assets: Subsequent measurement and gains and losses*

| | |
|---|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss. |

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. *Derecognition*

*Financial assets*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

*Financial liabilities*

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

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*iv. Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*v. Financial guarantee*

Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Such guarantees are initially measured at fair value and subsequently at the higher of:
- the expected credit loss allowance determined in accordance with Ind AS 109; and
- the amount recognised initially less, when appropriate, cumulative amortisation recognised in accordance with Ind AS.

*vi. Modification of financial assets and liabilities*

*Financial assets:*

If the terms of a financial assets are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

*Financial Liabilities:*
The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

*vii. Fully Compulsorily convertible debentures*

The Company has issued fully compulsorily convertible debentures (FCCDs). As per the terms of debenture agreement, each debenture will be converted into equity shares based on an agreed conversion formula (fixed to variable conversion). Accordingly, the whole amount has been treated as financial liability in books and carried at amortised cost.

*viii. Non-convertible debentures (unsecured)*

The Company has issued unsecured non-convertible debentures (NCDs). As per the terms of debenture agreement, each debenture will be redeemed within 36-48 months from the deemed date of allotment. Accordingly, the same amount has been treated as financial liability in books and carried at amortised cost.

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*ix. Embedded Derivative*

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Company has identified the redemption right as an equity component of convertible PIK obligation of non-convertible debentures issued by its subsidiaries i.e., Barque and SAMHI JV. As the risks associated with the underlying variable are not closely related to the host instrument, the equity component has been separately accounted for as deemed investment in subsidiaries. The equity component has been fair valued through profit or loss at each balance sheet date.

*x. Interest free loans*

The Company has given interest free loans to its subsidiary companies. Such interest free loans are measured at fair values determined using a present value technique with inputs that include future cash flows and discount rates that reflect assumptions that market participants would apply in pricing such loans. The difference between the transaction price and the fair value of such loans have been recognised as a deemed investment in the subsidiary. The loan component is subsequently measured at amoliized costs and interest income is recognised using effective interest rate method.

The Company has obtained interest free loans from its subsidiary company. Such interest free loans are measured at fair values determined using a present value technique with inputs that include future cash flows and discount rates that reflect assumptions that market participants would apply in pricing such loans. The difference between the transaction price and the fair value of such loans has been recognised as income in the Statement of Profit and Loss. The loan component is subsequently measured at amortized costs and interest expense is recognised using effective interest rate method.

*xi. Concessional overdraft facility*

The Company has pledged fixed deposits with banks for overdraft facility availed by its subsidiaries. The overdraft facility availed by subsidiaries carries an interest rate lower than the market rate. Difference between interest charged by bank and market rate is recognised as deemed investment in subsidiary with corresponding credit to the Standalone Statement of Profit and Loss.

## 4) Impairment

### A. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at Fair value through profit and loss (FVTPL) are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

*Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

*Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

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*Write-off*

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

**B. Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the asset's (or Cash Generating Unit's) fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset (or cash generating unit (CGU)).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated, if any to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**5) Inventories**

Inventories which comprises stock of food and beverages (including liquor), operating supplies and stock-in-trade are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to their present location and condition. In determining the cost, first in first out ("FIFO") method is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale.

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**6) Government grants and subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

*Export Promotion Capital Goods scheme*
The grant or subsidy received to compensate the import cost of assets, subject to an export obligation is recognised in the Statement of Profit and Loss in ratio of fulfilment of associated export obligations.

*Service Exports from India scheme (SEIS)*
The scheme entitles the Company to receive SEIS licenses basis the annual earnings in foreign currency. These licenses can be utilized by the Company or sold in the market. The grant is recognised in the Statement of Profit and Loss on an accrual basis at realizable value.

**7) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

The Company records a provision for site restoration costs to be incurred for the restoration of leasehold land at the end of the lease period. The provision is measured at the present value of the best estimate of the expected costs to settle the obligation and recognised as part of the cost of property, plant and equipment. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the costs of the asset and site restoration obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates at each reporting date.

**8) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

**9) Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to

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acquisition and/or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of cost of that asset. Capitalisation of borrowing costs is suspended in the period during which active development is delayed due to interruption, other than temporary interruption. Other borrowing costs are recognised as an expense in the standalone statement of profit and loss in the period in which they are incurred.

**10) Employee benefits**

**(a) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**(b) Share based payment transactions**

The grant date fair value of equity settled share-based payment awards granted to employees under the Employee Stock Option Scheme is recognised as an employee stock option expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in "Employee stock option outstanding account", as a separate component in equity. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(c) Post-employment benefits**

**Defined contribution plan – Provident fund and Employee state insurance**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions and has no obligation to pay any further amounts. Provident fund scheme and employee state insurance are defined contribution schemes. The Company makes specified monthly contributions towards these schemes. The Company's contributions are recorded as an expense in the profit or loss during the period in which the employee renders the related service. If the contribution already paid is less than the contribution payable under the scheme for service received before the balance sheet date, the deficit payable under the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

**Defined benefit plan – Gratuity**

The Company's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary

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using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in standalone other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

**(d) Other long-term employee benefit obligations – Compensated absences**

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

**11) Revenue recognition**

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

Contract asset represents the Company's right to consideration in exchange for services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time.

When there is unconditional right to receive cash, and only passage of time is required to do invoicing, the same is presented as Unbilled revenue.

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services and the Company is under an obligation to provide only the goods or services under the contract. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

The specific recognition criteria described below must also be met before revenue is recognized:

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*Room revenue, sale of food and beverages, recreation services*

Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue comprises room revenue, sale of food and beverages, recreation and other services relating to hotel operations. Revenue is recognised upon rendering of the services and sale of food and beverages which is recognised once the rooms are occupied, food and beverages are sold and other services have been provided as per the contract with the customer.

*Other services*

Other services comprises amount billed to subsidiary companies on account of allocation of common cost incurred during the year. The income is recognised when services are rendered as per the terms of the contract and no significant uncertainty exists regarding the collection of the consideration.

**12) Recognition of dividend income, interest income or expense**

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**13) Foreign currency translation**

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the profit or loss on a net basis.

**14) Income taxes**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

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**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and Company intend to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

**15) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

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**Identification of segments**

In accordance with Ind AS 108 "Operating Segments", the operating segments used to present segment information are identified on the basis of information reviewed by the CODM to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

**16) Earnings per share**

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the results would be anti - dilutive.

**17) Leases: Transition to Ind AS 116**

Ministry of Corporate affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had issued Ind AS 116 "Leases" which replaced the existing lease standard, Ind AS 17 and other interpretations. Ind AS 116 sets out the principles, for the recognition, measurement, presentation and disclosure of leases for both lessors and lessees. It introduces a single, on- balance sheet leases accounting model for leases.

*Company as a Lessee*

On inception of a contract, the Company (as a lessee) assesses whether it contains a lease. A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration obligation, and less any lease incentives received. They are subsequently

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measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option and any lease modification.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

Lease liability and ROU asset have been separately presented in the standalone balance sheet and lease payments have been classified as financing cash flows.

**18) Cash and cash equivalents**

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term, deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**19) Measurement of earnings before finance costs, depreciation and amortisation and tax (EBITDA)**

The Company has elected to present earnings before finance costs, depreciation and amortisation and tax (EBITDA) as a separate line item on the face of the standalone statement of profit and loss. The Company measures EBITDA on the face of profit/ (loss) from continuing operations. In the measurement, the Company does not include finance costs, depreciation and amortisation expense, exceptional items and tax expense.

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**20) Investment in subsidiary**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**21) Business Combinations (other than common control business combinations)**

In accordance with Ind AS 103, the Company accounts for business combinations using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Statement of Profit and Loss. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

**Common control business combinations**

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity.

**2. Disclosure of exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly, disclosed in the standalone financial statements.

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*(All amounts in Rupees millions, unless otherwise stated)*

**3 Property, plant and equipment and Right of use assets**

**Reconciliation of carrying amount**

| | Freehold land | Leasehold improvements | Computers and accessories | Building | Plant and machinery | Furniture and fixtures | Vehicles | Office equipment | Total Property, plant and equipment | Right of Use (Land) | Right of Use (Building) | Total Right-of-use assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | | | |
| **Balance as at 1 April 2021 (Re-presented)** | 783.11 | 14.90 | 44.75 | 1,275.72 | 368.10 | 163.82 | 28.31 | 14.43 | 2,693.14 | 322.12 | 43.19 | 365.31 |
| Additions during the year | - | - | 1.57 | 3.31 | - | - | - | - | 4.88 | - | - | - |
| Deletions during the year | - | - | - | - | - | - | (8.08) | - | (8.08) | - | - | - |
| **Balance as at 31 March 2022 (Re-presented)** | 783.11 | 14.90 | 46.32 | 1,279.03 | 368.10 | 163.82 | 20.23 | 14.43 | 2,689.94 | 322.12 | 43.19 | 365.31 |
| Additions during the year | - | - | 2.38 | 1.67 | 0.57 | 0.91 | 10.83 | 0.86 | 17.22 | - | 56.35 | 56.35 |
| Deletions during the year | - | - | - | - | - | - | (9.83) | - | (9.83) | - | - | - |
| **Balance as at 31 March 2023** | 783.11 | 14.90 | 48.70 | 1,280.70 | 368.67 | 164.73 | 21.23 | 15.29 | 2,697.33 | 322.12 | 99.54 | 421.66 |
| **Accumulated depreciation/amortisation and impairment losses*** | | | | | | | | | | | | |
| **Balance as at 1 April 2021 (Re-presented)** | - | 12.37 | 38.27 | 311.00 | 131.54 | 121.74 | 12.41 | 10.68 | 638.01 | 9.99 | 7.20 | 17.19 |
| Depreciation/amortisation charge for the year | - | 0.32 | 2.04 | 39.76 | 21.17 | 13.38 | 3.02 | 0.29 | 79.98 | 3.33 | 14.40 | 17.73 |
| Reversal on disposal of assets | - | - | - | - | - | - | (3.58) | - | (3.58) | - | - | - |
| **Balance as at 31 March 2022 (Re-presented)** | - | 12.69 | 40.31 | 350.76 | 152.71 | 135.12 | 11.85 | 10.97 | 714.41 | 13.32 | 21.60 | 34.92 |
| Depreciation/amortisation charge for the year | - | 0.30 | 1.96 | 39.99 | 21.03 | 7.94 | 2.23 | 0.30 | 73.75 | 3.33 | 14.40 | 17.73 |
| Reversal on disposal of assets | - | - | - | - | - | - | (5.01) | - | (5.01) | - | - | - |
| **Balance as at 31 March 2023** | - | 12.99 | 42.27 | 390.75 | 173.74 | 143.06 | 9.07 | 11.27 | 783.15 | 16.65 | 36.00 | 52.65 |
| **Net carrying amount** | | | | | | | | | | | | |
| **Balance as at 31 March 2022 (Re-presented)** | 783.11 | 2.21 | 6.01 | 928.27 | 215.39 | 28.70 | 8.38 | 3.46 | 1,975.53 | 308.80 | 21.59 | 330.39 |
| **Balance as at 31 March 2023** | 783.11 | 1.91 | 6.43 | 889.95 | 194.93 | 21.67 | 12.16 | 4.02 | 1,914.18 | 305.47 | 63.54 | 369.01 |

* Accumulated depreciation includes impairment loss of INR 146.16.

a) Refer to Note 19 for information on property, plant and equipment pledged as security by the Company.

b) For details regarding the tittle deeds of immovable property of the company, refer note 52.

c) There has been no revaluation of property, plant and equipment for the year ended 31 March 2023.

d) Refer note 55 for disclosures in relation to impairment of assets.

**4 Other intangible assets**

**Reconciliation of carrying amount**

| | Computer software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| **Balance as at 1 April 2021 (Re-presented)** | 40.95 | 40.95 |
| Additions during the year | 0.11 | 0.11 |
| Deletions during the year | - | - |
| **Balance as at 31 March 2022 (Re-presented)** | 41.06 | 41.06 |
| Additions during the year | 0.31 | 0.31 |
| Deletions during the year | - | - |
| **Balance as at 31 March 2023** | 41.37 | 41.37 |
| **Accumulated amortisation **** | | |
| **Balance as at 1 April 2021 (Re-presented)** | 27.22 | 27.22 |
| Amortisation expense for the year | 3.49 | 3.49 |
| **Balance as at 31 March 2022 (Re-presented)** | 30.71 | 30.71 |
| Amortisation expense for the year | 5.11 | 5.11 |
| **Balance as at 31 March 2023** | 35.82 | 35.82 |
| **Net carrying amount** | | |
| **Balance as at 31 March 2022 (Re-presented)** | 10.35 | 10.35 |
| **Balance as at 31 March 2023** | 5.55 | 5.55 |

** Accumulated amortisation includes impairment loss of INR 0.69.

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*(All amounts in Rupees millions, unless otherwise stated)*

| **5 Investments in subsidiaries** | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| **Trade investments, unquoted** | | |
| **a) Investments in equity shares (At cost)** | | |
| Barque Hotels Private Limited<br>38,375,080 (31 March 2022 - 38,375,080) equity shares of INR 10 each<br>Out of the above equity shares 38,375,079 (31 March 2022 - 38,375,079) equity shares of INR 10 each of Barque Hotels Private Limited have been pledged in respect of loan taken by Barque Hotels Private Limited. | 2,039.89 | 2,039.89 |
| SAMHI Hotels (Ahmedabad) Private Limited<br>2,164,936 (31 March 2022 - 2,164,936) Class A equity shares of INR 10 each<br>10 (31 March 2022 - 10) Class B equity shares of INR 10 each | 616.00 | 616.00 |
| CASPIA Hotels Private Limited<br>18,000,000 (31 March 2022 - 18,000,000) equity Shares of INR 10 each<br>Out of the above equity shares, 5,400,000 (31 March 2022 - 5,400,000) equity shares of INR 10 each have been pledged in respect of loan taken by CASPIA Hotels Private Limited | 114.85 | 114.85 |
| SAMHI Hotels (Gurgaon) Private Limited<br>708,760 (31 March 2022 - 708,760) equity Shares of INR 10 each | 721.32 | 721.32 |
| SAMHI JV Business Hotels Private Limited<br>124,780,000 (31 March 2022 - 124,780,000) equity Shares of INR 10 each<br>Out of the above equity shares, 124,779,999 (31 March 2022 - 124,779,999) equity shares of INR 10 each have been pledged in respect of loan taken by SAMHI JV Business Hotels Private Limited | 1,617.05 | 1,617.05 |
| Ascent Hotels Private Limited<br>127,801,486 (31 March 2022 - 127,801,486) equity Shares of INR 10 each<br>Out of the above equity share, 127,801,485 (31 March 2022 - 127,801,485) equity shares of INR 10 each have been pledged in respect of loan taken by Ascent Hotels Private Limited. | 1,196.00 | 1,196.00 |
| Argon Hotels Private Limited<br>7,770,492 (31 March 2022 - 7,770,492) equity Shares of INR 10 each<br>Out of the above equity shares, 7,770,491 (31 March 2022 - 2,331,148) equity shares of INR 10 each have been pledged in respect of loan taken by Argon Hotels Private Limited | 20.00 | 20.00 |
| **b) Investments in Preference shares (At cost)** | | |
| SAMHI Hotels (Ahmedabad) Private Limited<br>6,300,000 (31 March 2022 - 6,300,000) 0.001% Compulsory convertible preference shares of INR 10 each | 1,260.00 | 1,260.00 |
| **c) Deemed investment in subsidiary (At cost)** | | |
| *Interest free loans extended to:* | | |
| SAMHI Hotels (Gurgaon) Private Limited | 359.54 | 359.54 |
| CASPIA Hotels Private Limited | 2,632.42 | 2,632.42 |
| SAMHI Hotels (Ahmedabad) Private Limited | 555.49 | 555.49 |
| Barque Hotels Private Limited | 2,471.02 | 2,451.03 |
| SAMHI JV Business Hotels Private Limited | 41.96 | 41.96 |
| Ascent Hotels Private Limited | 315.25 | 315.25 |
| Argon Hotels Private Limited | 1,881.47 | 2,731.47 |
| *Overdraft facilities at concessional rate:* | | |
| SAMHI Hotels (Ahmedabad) Private Limited | 4.90 | 4.90 |
| Barque Hotels Private Limited | 18.69 | 18.69 |
| *Convertible PIK obligation:* | | |
| Barque Hotels Private Limited * | 710.02 | 721.40 |
| SAMHI JV Business Hotels Private Limited * | 806.20 | 863.30 |
| | **17,382.07** | **18,280.56** |
| Less: Impairment of investments in equity shares (refer note 55) | (4,169.42) | (4,169.42) |
| | **13,212.65** | **14,111.14** |
| Aggregate amount of unquoted investments | 13,212.65 | 14,111.14 |

* Represents the equity component of Convertible PIK obligation of Non Convertible debentures issued by Barque Hotels Private Limited and SAMHI JV Business Hotels Private Limited. Refer note 19 for terms and conditions of debentures.

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| 6 **Non-current financial assets - Loans** *(Unsecured considered good)* | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| **Loan to related parties** | | |
| **Loans to subsidiaries** | | |
| Ascent Hotels Private Limited* | 1,024.75 | 820.48 |
| Samhi Hotels (Ahmedabad) Private Limited*** | 288.63 | - |
| Argon Hotels Private Limited** | - | 127.67 |
| **Loan to Key Management Person#** | 50.35 | 47.32 |
| **Other Loans** | | |
| Loan to employees | 15.65 | 11.46 |
| | **1,379.38** | **1,006.93** |

* Terms of loan given to Ascent Hotels Private Limited:
  - Loan is given for working capital purpose
  - Interest rate 13% p.a. (31 March 2022 - 13% p.a)
  - Repayable after 5 years from the date of first disbursement.

**Terms of loan given to Argon Hotels Private Limited:
  - Loan is given for working capital purpose
  - Interest rate 9.25% p.a. (31 March 2022 - 9.25% p.a.)
  - Repayable after 5 years from the date of first disbursement.

***Terms of loan given to SAMHI Hotels (Ahmedabad) Private Limited:
  - Loan is given for working capital purpose
  - Interest rate 15% p.a. (31 March 2022 - Nil)
  - Repayable after 5 years from the date of first disbursement.

# Represent loan given to Managing Director of the Company on 29 March 2014 for a period of 3 years at an interest rate of 14.75% per annum on principal loan amount. The initial loan period has been extended till 31 March 2024. Also, includes interest free loan amounting to INR 2.50 to Mr. Rajat Mehra (Chief Financial Officer).

# Includes interest accrued of INR 27.33 (31 Mar, 2022 - INR 24.30 )
* Includes interest accrued of INR 124.83 (31 March 2022 - INR 11.98)
*** Includes interest accrued of INR 49.34 (31 March 2022 - INR Nil)
** Includes accrued interest of INR Nil (31 March 2022 - INR 4.92 )

| 7 **Non-current financial assets - Others** *(Unsecured considered good)* | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| Bank deposits due to mature after 12 months from the reporting date* # | 101.71 | 101.37 |
| Security deposits | 15.06 | 17.33 |
| | **116.77** | **118.70** |

* Includes bank deposits under lien amounting to INR 98.79 (31 March 2022 - INR 95.10)
# including interest accrued on bank deposits of INR 2.92 (31 March 2022 - INR 3.07)

| 8 **Income tax assets (net)** | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| Tax deducted at source | 10.39 | 30.21 |
| | **10.39** | **30.21** |

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*(All amounts in Rupees millions, unless otherwise stated)*

## 9 Income tax

| **A: The major components of income tax expense / (income) are** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| **Recognised in profit or loss** | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |
| **Recognised in Other comprehensive income** | | |
| Income tax on Other comprehensive income | - | - |
| | - | - |

**B. Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by Company's domestic tax rate)**

| | **For the year ended 31 March 2023** | | **For the year ended 31 March 2022 (Re-presented)** | |
|---|---|---|---|---|
| | **Tax rate** | **Amount** | **Tax rate** | **Amount** |
| **Loss before tax** | | (654.03) | | (824.40) |
| Tax using the Company's domestic tax rate | 25.17 | (164.61) | 25.17 | (207.48) |
| **Tax effect of:** | | | | |
| Non recognition of deferred taxes on temporary differences | (18.70) | 122.33 | (26.04) | 214.71 |
| Non-deductible expenses | (6.32) | 41.35 | (0.46) | 3.78 |
| Others | (0.15) | 0.93 | 1.33 | (11.01) |
| **Effective tax rate** | - | - | - | - |

| **C. Deferred tax assets / liabilities** | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| **Deferred tax assets** | | |
| Unabsorbed losses and depreciation | 774.73 | 522.74 |
| Impairment in value of investments | 1,049.36 | 1,049.36 |
| Loss allowance for trade receivables | 2.79 | 0.82 |
| Provision for employee benefits | 17.44 | 18.36 |
| Disallowance under section 43B of Income-tax Act, 1961 for accrued interest | 19.50 | 19.50 |
| Share based payments | 6.56 | 19.27 |
| Others | 0.70 | 1.23 |
| | **1,871.08** | **1,631.28** |
| **Deferred tax liabilities** | | |
| Property, plant and equipment, Right of use assets and other intangible assets | (156.69) | (299.73) |
| Loan from subsidiary | (157.07) | (169.91) |
| Fully Compulsory Convertible Debentures | (247.18) | (122.39) |
| Long Term Borrowings | (5.12) | (4.31) |
| | **(566.06)** | **(596.34)** |
| **Net deferred tax asset / (liability)*** | **1,305.02** | **1,034.94** |

*The Company has significant unabsorbed depreciation and carry forward business losses as per Income Tax Act, 1961. In view of absence of reasonable certainty of sufficient future taxable profits, deferred tax assets has been recognized to the extent of deferred tax liabilities only.

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*(All amounts in Rupees millions, unless otherwise stated)*

**D. Movement in temporary differences**

**31 March 2023**

| Particulars | Balance as at 1 April 2022 (Re-presented) | Movement during F.Y. 2022-23 | Business combination (refer note 54) | Balance as at 31 March 2023 |
|---|---|---|---|---|
| **Deferred tax assets** | | | | |
| Unabsorbed losses and depreciation | 522.74 | 251.99 | - | 774.73 |
| Impairment in value of investments | 1,049.36 | - | - | 1,049.36 |
| Loss allowance for trade receivables | 0.82 | 1.97 | - | 2.79 |
| Provision for employee benefits | 18.36 | (1.70) | 0.78 | 17.44 |
| Disallowance u/s 43B of Income-tax Act, 1961 for accrued interest | 19.50 | - | - | 19.50 |
| Share based payments | 19.27 | (12.71) | - | 6.56 |
| Others | 1.23 | (0.53) | - | 0.70 |
| **Total** | **1,631.28** | **239.02** | **0.78** | **1,871.08** |
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment, Right of use assets and Other intangible assets | (299.73) | (3.93) | 146.97 | (156.69) |
| Loan from subsidiary | (169.91) | 12.84 | - | (157.07) |
| Fully Compulsory Convertible Debentures | (122.39) | (124.79) | - | (247.18) |
| Long Term Borrowings | (4.31) | (0.81) | - | (5.12) |
| **Total** | **(596.34)** | **(116.69)** | **146.97** | **(566.06)** |
| **Total** | **1,034.94** | **122.33** | **147.75** | **1,305.02** |

**31 March 2022**
**(Re-presented)**

| Particulars | Balance as at 1 April 2021 (Re-presented) | Movement during F.Y. 2021-22 | Business combination (refer note 54) | Balance as at 31 March 2022 (Re-presented) |
|---|---|---|---|---|
| **Deferred tax assets** | | | | |
| Unabsorbed losses and depreciation | 155.09 | 367.65 | - | 522.74 |
| Impairment in value of investments | 1,049.36 | - | - | 1,049.36 |
| Loss allowance for Trade receivables | 0.78 | 0.04 | - | 0.82 |
| Provision for employee benefits | 20.77 | (2.43) | 0.02 | 18.36 |
| Disallowance under section 43B of Income-tax Act, 1961 for accrued interest | 110.11 | (90.60) | - | 19.50 |
| Share based payments | 19.27 | - | - | 19.27 |
| Others | 0.49 | 0.73 | - | 1.23 |
| **Total** | **1,355.87** | **275.39** | **0.02** | **1,631.28** |
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment, Right of use assets and Intangible assets | (298.79) | (3.76) | 2.82 | (299.73) |
| Loan from subsidiary | (180.45) | 10.54 | - | (169.91) |
| Derivative component of FCCDs | (0.83) | 0.83 | - | - |
| Fully Compulsory Convertible Debentures | (58.41) | (63.98) | - | (122.39) |
| Long Term Borrowings | - | (4.31) | - | (4.31) |
| **Total** | **(538.48)** | **(60.68)** | **2.82** | **(596.34)** |
| **Total** | **817.39** | **214.71** | **2.84** | **1,034.94** |

**E. Tax losses carried forward**

Tax losses for which no deferred tax asset was recognised with expiry date are as follows:

| | As at 31 March 2023 Amount | Expiry Date (Financial Year) |
|---|---|---|
| Business loss | 113.92 | 2024-25 |
| Business loss | 13.65 | 2027-28 |
| Business loss | 233.87 | 2028-29 |
| Business loss | 1,217.43 | 2029-30 |
| Business loss | 919.47 | 2030-31 |
| Unabsorbed depreciation | 579.85 | Never expire |

| | As at 31 March 2022 (Re-presented) Amount | Expiry Date (Financial Year) |
|---|---|---|
| Business loss | 113.92 | 2024-25 |
| Business loss | 13.65 | 2027-28 |
| Business loss | 233.87 | 2028-29 |
| Business loss | 1,217.43 | 2029-30 |
| Unabsorbed depreciation | 498.11 | Never expire |

**10 Other non-current assets**
*(Unsecured, considered good)*

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Prepaid expenses | 2.90 | 3.35 |
| Capital advances | 0.43 | 2.43 |
| | **3.33** | **5.78** |

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| **11 Inventories** *(valued at the lower of cost or net realisable value)* | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| Food and beverages | 4.47 | 2.19 |
| | 4.47 | 2.19 |

For current assets secured against borrowings, refer note 19.

| **12 Current financial assets - Trade receivables** *(Unsecured)* | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| **Trade receivables** | | |
| -Considered good | 269.82 | 209.55 |
| -Credit impaired | 8.30 | 3.25 |
| **Unbilled revenue*** | | |
| -Considered good | 28.87 | 7.72 |
| | **306.99** | **220.52** |
| Less: Loss allowance | (11.10) | (3.25) |
| | **295.89** | **217.27** |

* Net of advance from customers of INR 11.01 (31 March, 2022 - INR 3.60)

**Trade receivable ageing schedule**

**As at 31 March 2023**

| **Particulars** | **Outstanding for following periods from the date of transaction** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Unbilled Revenue** | **Less than 6 months** | **6 months - 1 year** | **1 - 2 years** | **2 - 3 years** | **More than 3 years** | **Total** |
| Undisputed Trade receivables – considered good | 28.87 | 257.62 | 10.06 | 2.14 | - | - | 298.69 |
| Undisputed Trade receivables – credit impaired | - | 2.48 | - | 1.55 | 1.96 | 2.31 | 8.30 |
| **Total** | **28.87** | **260.10** | **10.06** | **3.69** | **1.96** | **2.31** | **306.99** |

**As at 31 March 2022 (Re-presented)**

| **Particulars** | **Outstanding for following periods from the date of transaction** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Unbilled Revenue** | **Less than 6 months** | **6 months - 1 year** | **1 - 2 years** | **2 - 3 years** | **More than 3 years** | **Total** |
| Undisputed Trade receivables – considered good | 7.72 | 194.79 | 8.67 | 2.91 | 2.18 | 1.00 | 217.27 |
| Undisputed Trade receivables – credit impaired | - | - | - | 1.14 | 0.36 | 1.75 | 3.25 |
| **Total** | **7.72** | **194.79** | **8.67** | **4.05** | **2.54** | **2.75** | **220.52** |

a) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 40.

b) There are no disputed trade receivables as at 31 March 2023 and 31 March 2022.

c) For receivables secured against borrowings, refer note 19.

d) For receivables from related parties, refer note 39.

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**13 Current financial assets - Cash and cash equivalents**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Balances with banks | | |
| - in current accounts | 595.90 | 487.96 |
| - in deposit accounts (with original maturity of 3 months or less) | 7.50 | - |
| Cash on hand | 0.57 | 0.41 |
| | **603.97** | **488.37** |

**14 Current financial assets - Bank balances other than cash and cash equivalents above**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Bank deposits (original maturity of more than 3 months but less than 12 months)* | 10.32 | 1.76 |
| | **10.32** | **1.76** |

* includes interest accrued of INR 0.32 (31 March 2022 - INR 0.02 )

**14a Current financial assets - Loans**
*(Unsecured, considered good)*

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Loan to employees | 0.26 | 4.26 |
| | **0.26** | **4.26** |

**15 Current financial assets - Others**
*(Unsecured, considered good)*

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Bank deposits (due to mature within 12 months from the reporting date)* | 6.94 | - |
| Other receivables** | 21.44 | 4.72 |
| | **28.38** | **4.72** |

*includes interest accrued on bank deposits INR 1.22 ( 31 March 2022 - INR Nil )
** Includes INR 21.44 (31 March 2022 - INR Nil) incurred by the Company in relation to Offer for sale through Proposed Initial Public Offer ('IPO') by existing shareholders.

**16 Other current assets**
*(Unsecured, considered good)*

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Staff advance | - | 0.11 |
| Balance with statutory authorities | 15.89 | 9.95 |
| Advance to suppliers | 4.75 | 5.72 |
| Prepaid expenses*# | 166.03 | 21.33 |
| | **186.67** | **37.11** |

* includes current portion of non-current prepaid expenses amounting to INR 1.06 (31 March 2022-INR 0.55)
# includes INR 128.95 (31 March 2022 - INR Nil) incurred by the Company in relation to Company's plan of raising funds from capital market through Proposed Initial Public Offer ('IPO').

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*(All amounts in Rupees millions, except for share details and unless otherwise stated)*

**17 Equity share capital**

| | As at 31 March 2023 | | As at 31 March 2022 (Re-presented) | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Authorised share capital** | | | | |
| Equity shares of INR 1 each | 250,000,000 | 250.00 | 130,000,000 | 130.00 |
| | **250,000,000** | **250.00** | **130,000,000** | **130.00** |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of INR 1 each | 85,334,550 | 85.33 | 76,270,704 | 76.27 |
| | **85,334,550** | **85.33** | **76,270,704** | **76.27** |

**a) Reconciliation of the equity shares outstanding at the beginning and at the end of reporting period**

| | For the year ended 31 March 2023 | | For the year ended 31 March 2022 (Re-presented) | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Equity shares** | | | | |
| Balance at the beginning of the year | 76,270,704 | 76.27 | 76,270,704 | 76.27 |
| Add : Issued during the year | 9,063,846 | 9.06 | - | - |
| **Balance at the end of the year** | **85,334,550** | **85.33** | **76,270,704** | **76.27** |

**b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having the par value of INR 1 per share. Each holder of equity share is entitled to one vote per share. The equity shares are entitled to receive dividend as and when declared. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% equity shares**

| Name of shareholder | As at 31 March 2023 | | As at 31 March 2022 (Re-presented) | |
|---|---|---|---|---|
| **Equity shares** | Number of shares | % of holding | Number of shares | % of holding |
| Blue Chandra Pte. Limited | 37,641,140 | 44.11% | 37,641,140 | 49.35% |
| GTI Capital Alpha Private Limited | 13,747,395 | 16.11% | 13,747,395 | 18.02% |
| Goldman Sachs Investment Holding (Asia) Ltd. | 22,023,692 | 25.81% | 22,023,692 | 28.88% |
| Sarvara Investment Fund I | 8,202,419 | 9.61% | - | - |

**d) Shares reserved for issue under options**

Refer note 45 for details of shares issued Employee Stock Option Plan of the Company.

e) Refer note 19 for shares reserved and conversion terms in respect of Fully Compulsory Convertible Debentures (FCCD), Optionally convertible debentures, and Non Convertible Debentures (secured).

f) There is no Promoter shareholding in the Company.

g) During the last five year period, 9,063,846 (31 March 2022: Nil) equity shares of face value INR 1 each have been allotted as fully paid up pursuant to conversion of Optionally convertible debentures (unsecured) and Non Convertible Debenture (secured).

h) The shareholders at the Annual General Meeting ('AGM") of the Company held on 22 December 2022, approved the increase of the existing authorized share capital of the Company from INR 130 to INR 250.

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*(All amounts in Rupees millions, except for share details and unless otherwise stated)*

## 18 Other equity

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Amalgamation adjustment deficit account | (233.16) | (233.16) |
| Retained earnings | (4,384.01) | (3,804.23) |
| Share options outstanding account | 26.06 | 76.58 |
| Securities premium | 12,673.28 | 11,006.89 |
| | 8,082.17 | 7,046.08 |

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| **a) Retained earnings** | | |
| Balance at the beginning of the year | (3,804.23) | (2,979.90) |
| Transfer from share options outstanding account (refer note 45) | 76.58 | - |
| Loss for the year | (654.03) | (824.40) |
| Transfer from other comprehensive income | (2.33) | 0.07 |
| **Balance at the year end** | **(4,384.01)** | **(3,804.23)** |

Retained earnings represent the amount of accumulated losses of the Company.

**b) Share options outstanding account**

| | | |
|---|---|---|
| Balance at the beginning of the year | 76.58 | 76.58 |
| Share based payments expense (refer note 45) | 26.06 | - |
| Transferred to retained earnings (refer note 45) | (76.58) | - |
| **Balance at the year end** | **26.06** | **76.58** |

The Company has established equity setted shared based payment plan for certain categories of employees of the Company. Refer note 45 for further details on this plan.

**c) Securities premium**

| | | |
|---|---|---|
| Balance at the beginning of the year | 11,006.89 | 11,006.89 |
| Add : Additions made during the year | 1,666.39 | - |
| **Balance at the year end** | **12,673.28** | **11,006.89** |

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013.

**d) Other comprehensive income - Remeasurement of defined benefit plans**

| | | |
|---|---|---|
| Balance at the beginning of the year | - | - |
| Remeasurement of defined benefit liability (net of tax) | (2.33) | 0.07 |
| Transferred to retained earnings | 2.33 | (0.07) |
| **Balance at the year end** | - | - |

Remeasurements of defined benefit liability / asset comprises actuarial gains and losses.

**e) Amalgamation adjustment deficit account (refer note 54)**

| | | |
|---|---|---|
| Balance at the beginning of the year | (233.16) | (233.16) |
| Transferred to retained earnings | - | - |
| **Balance at the year end** | **(233.16)** | **(233.16)** |

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**CIN U55101DL2010PLC211816**
**Notes to the standalone financial statements for the year ended 31 March 2023**
*(All amounts in Rupees millions, unless otherwise stated)*

| 19 Non-current financial liabilities - Borrowings | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Term loan from banks (secured) | 3,024.41 | 3,080.67 |
| Less: Current maturities of long term borrowings (refer note 23) | (486.02) | (228.28) |
| | 2,538.39 | 2,852.39 |
| Term loans from financial institution (secured) | 1,316.49 | 200.07 |
| Less: Interest accrued on borrowings (refer note 26) | (24.10) | (0.07) |
| Less: Current maturities of long term borrowings (refer note 23) | (742.50) | (7.50) |
| | 549.89 | 192.50 |
| Vehicle loans (secured) | 8.81 | 3.95 |
| Less: Current maturities of long term borrowings (refer note 23) | (0.76) | (3.95) |
| | 8.05 | - |
| Loan from subsidiary (unsecured) | 1,460.09 | 1,317.89 |
| | **4,556.42** | **4,362.78** |
| Fully Compulsory Convertible Debentures (unsecured) | | |
| 1,260,000 (31 March 2022 - 1,260,000) 8.5 % Fully Compulsory Convertible Debentures (FCCD) of INR 1,000 each held by International Finance Corporation (IFC) | 1,639.96 | 1,880.84 |
| Less: Current maturities (refer note 23) | (1,639.96) | - |
| | - | 1,880.84 |
| Non Convertible Debentures (unsecured) | 1,832.19 | 1,417.38 |
| 1,095 (31 March 2022 - 1,095) , 25.00% Non Convertible Debenture of INR 1,000,000 each | | |
| Less: Current maturities (refer note 23) | (1,240.90) | - |
| | 591.29 | 1,417.38 |
| Optionally Convertible Debentures (unsecured) | | |
| Nil (31 March 2022 - 680), 25 % Optionally Convertible Debentures of INR 100,000 each | - | 81.81 |
| Nil ( 31 March 2022 -100), 18 % Optionally Convertible Debentures of INR 100,000 each | - | 11.55 |
| | **5,147.71** | **7,754.36** |

For the period 1 March 2020 to 31 August 2020, the Company had taken Moratorium with reference to Reserve Bank of India ('RBI') circular DOR.No.BP.BC.47/21.04.048/2019-20 dated 27 March 2020 and DOR.No.BP.BC.71/21.04.048/2019-20 dated 23 May 2020. Accordingly, interest on secured loans for this period was capitalised in the loan balance. Basis correspondence with respective bank/financial institution, it was agreed that the amount capitalised will be paid in proportion to ratio of the original principal repayments or will be paid along with the last installment of loan.

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**Terms and conditions in respect of non-current borrowings :**

**(a) Terms of Loan from subsidiary:**

**Interest free loan**
As on 31 March 2023, the company has obtained interest free loan from SAMHI JV Business Hotels Private Limited ("subsidiary company") amounting to INR 431.62 (31 March 2022 - INR 384.72) which is repayable at any date after 31 December 2030 as per mutual consent of the Company and the subsidiary company. The loan is obtained in Indian Rupees. These loans were obtained for meeting project expenses and business purpose requirements.

**Interest bearing loan**
As on 31 March 2023, the company has obtained interest bearing loan from SAMHI JV Business Hotels Private Limited ("subsidiary company") amounting to INR 1,028.47 (31 March 2022 - INR 933.16) including accrued interest of INR 124.93 (31 March 2022 - INR 29.62) which is repayable after 3 years from the date of first disbursement i.e. 21 January 2022.The loan is obtained at interest rate of 19.50% p.a. The loan is denominated in Indian Rupees. These loans were obtained from subsidiary company for meeting project expenses and business purpose requirements.

**(b) Fully compulsory convertible debentures (FCCDs) (unsecured)**

As per the debenture agreement dated 12 August 2014 between the Company and International Financial Corporation ( IFC ), each debenture must be mandatorily converted on liquidity event or maturity date (September 2024) whichever is earlier. Further, IFC also has a right of voluntary conversion upon giving notice to the Company within maturity date. Conversion ratio will be as provided under the Subscription Agreement. The Interest shall accrue for a period of first thirty six (36) months from the date of the IFC Subscription and shall be compounded on an annual basis until such interest has been paid by the Company to IFC.

The IFC Fully compulsory convertible debentures (FCCD's) bear interest at the rate of 8.5% per annum. If all IFC CCDs have not been converted in accordance with the provisions hereof by the seventh (7th) anniversary of the IFC Subscription, the Base Interest shall increase to 10% per annum (compounded on an annual basis). Any interest that is due but not paid by the Company shall carry an additional interest of 2% per annum (compounded on an annual basis) from the date of default in payment of such interest until the date of payment. However, no additional interest shall be payable with respect to the interest accrued during the Grace Period (first 36 months) until the seventh (7th) anniversary of the IFC Subscription.

During the financial year ended 31 March 2022, the following amendments were made to the IFC debenture agreement:
1. Removal of 21% IRR Cap for return on investment (foreign currency derivative)
2. Prior to payment of interest, the Company company will issue a notification and IFC will have the option to choose either of the following:
a) Receive the interest; or
b) Convert CCDs to equity shares of the Company in accordance with the agreed conversion formula. In the event IFC does choose this option, the Company shall have no further liability with respect to the CCDs after such conversion (including payment of any interest) or
c) Receive the interest at a later date.

Subsequent to 31 March 2023, the Company has issued notice and IFC has opted to receive interest at a later date i.e. on consummation of IPO. Further, as agreed between the Company and IFC, the interest liability outstanding in books will be paid by the Company from the IPO proceeds. The Company expects to settle this by 30 September 2023. In case of delay in liquidity event, the interest liability will be settled by the maturity date.

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**(c) Non Convertible Debentures (unsecured)**

As per debenture agreement dated 10 March 2021 between the Company and the debenture holders, debentures shall be redeemed after 36 months from the deemed date of allotment. These debentures shall bear interest at 25% p.a. As per the repayment terms agreed, if the redemption date is after 6 months from the deemed date of allotment, then a return of 2.5 times the principal amount will be paid to the debenture holders. These debentures carry an effective interest rate of 35.72% p.a. The Interest payable on the NCDs shall be calculated from the deemed date of allotment to the interest payment date as per debenture agreement. The redemption date can be extended with the consent of all the Debenture Holders and such extension shall, under no circumstance, extend beyond 48 months from the Deemed Date of Allotment.
During the year ended 31 March 2023, the redemption period for one of the debenture holder (GTI Capital Epsilon Private Limited) was extended to 48 months from the deemed date of allotment. This has resulted in modification of financial instrument and the revised effective interest rate is 26.20% p.a.

**(d) Optionally convertible debentures (unsecured)**

As per debenture agreement between the Company and the debenture holders, debentures shall be redeemed/converted after 36 months from the deemed date of allotment. These debentures shall bear interest at 18% p.a. to 25% p.a. The Interest payable on the OCDs shall be calculated from the deemed date of allotment to the Interest Payment Date as per debenture agreement. On the maturity date, OCD's shall be redeemed in cash or converted into equity shares at the sole discretion of the debenture holders at the value decided by Board.
During the year ended 31 March 2023, the Company has converted these OCDs (including accrued interest) in to 861,427 equity shares of the Company at INR 130.22 per share. The difference between the fair value and the issue price has been recorded as finance cost amounting to INR 47.06.

**(e) Non Convertible Debenture (secured)**

**i) Barque Hotels Private Limited [Barque]**

1.On 22 October 2021, Debenture Trust Deed ('DTD') was executed between Barque Hotels Private Limited ('Barque'), Paulmech Hospitality Private Limited (wholly owned subsidiary of the Barque), SAMHI Hotels Limited ('the Company') and Vistra ITCL (India) Limited ('Debenture Trustee'). Basis aforesaid Debenture Trust Deed, during the financial year ended 31 March 2022, the Barque had issued 2,850 unlisted, secured, redeemable, non-convertible debentures of a face value of INR 1,000,000 each aggregating to INR 2,850 on a private placement basis to Sarvara Investment Fund I on the terms and conditions set out in DTD.

2. These non-convertible debentures are secured by following:-
(a) a first ranking mortgage on all immovable assets of Barque and its subsidiary, Paulmech Hospitality Private Limited ("Subsidiary"), both present and future, including the Barque's and its subsidiary's hotel properties.
(b) a first ranking charge on all the movable assets (current, non-current and movable fixed assets) of Barque and the Subsidiary, both present and future, including but not limited to:
i) movable properties including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other non-current assets;
ii) the Permitted Investments which includes government securities, fixed deposits in any scheduled commercial bank in India, which is not a lender to the Company, liquid mutual fund debt schemes.
iii) intangible assets,
iv) all current assets of the Barque and its subsidiary, including but not limited to the receivables of the Barque and its subsidiary including cash in hand, investments classified as "held for trading", raw materials, consumable stores and spares, book debts, operating cash flow and stock in trade,

v) all investments and bank accounts of Barque and its subsidiary and monies lying therein,
(c) a first ranking exclusive charge over all rights and receivables of the Company which includes all amounts receivable by the Company (whether as operational payments or otherwise) from Barque including but not limited to the receivables of the Company under the inter-company loan agreement dated 1 December , 2017 (as amended on 1 April , 2019) for unsecured and interest free inter-corporate deposit of INR 2,436.10.
(d) a first ranking exclusive pledge over the shares and securities constituting 100% shareCompany held by the Company save and except the 1 equity share held by a nominee shareholder of the Company .
(e) the Corporate Guarantees provided by Paulmech Hospitality Private Limited in favour of debenture trustee;
(f) all encumbrances created or to be created to secure the unlisted, secured, redeemable, non-convertible debentures ("SAMHI JV Debentures") issued by SAMHI JV Business Hotels Private Limited ("SAMHI JV") in favour of the debenture holders, ranking pari passu inter-se the Barque Debentures and the SAMHI JV Debentures.

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3. As per Debenture Trust Deed, return on non-convertible debentures is sum of Cash PIK and Convertible PIK.
(i) At all times during the tenure of non-convertible debentures, the debenture holder is entitled to a minimum IRR of not less than 21.34% per annum (i.e. 19.5% per annum compounded monthly).
(ii) Cash PIK is an amount that would give the debenture holder a return equal to 14.5% per annum compounded monthly during the term of debentures. Cash PIK obligation on non-convertible debentures is to be serviced at 1% p.a. payable monthly for the first year, at 14.5% p.a. payable monthly for balance term of 3 years (to the extent applicable) and remaining obligation on redemption of debentures.
(iii) Convertible PIK is portion of accrued interest on the non-convertible debentures that will be converted into equity shares of SAMHI Hotels Limited in accordance with the SAMHI shares allotment agreement dated 22 October 2021 between Barque, Company and debenture trustee.
(iv) During the financial year ended 31 March 2022, Barque paid debenture holder upfront interest of 3% of the nominal value of each non-convertible debentures issued as an additional interest.
(v) After lock-in-period for the non-convertible debentures of 12 months from the date of first disbursement i.e. 25 October 2021, these debentures are redeemable within 4 years at the option of Barque or at the end of 4 years from date of first disbursement. Further, the non-convertible debentures will be mandatorily redeemed within 30 days of occurrence of an IPO event.

**(ii) SAMHI JV Business Hotels Private Limited [SAMHI JV]**

1. On 19 January 2022, Debenture Trust Deed ('DTD') was executed between SAMHI JV Business Hotels Private Limited ('SAMHI JV'), SAMHI Hotels Limited and Vistra ITCL (India) Limited ('Debenture Trustee'). Basis aforesaid Debenture Trust Deed, during the financial year ended 31 March 2022, SAMHI JV has issued 4,100 unlisted, secured, redeemable, non-convertible debentures of a face value of INR 1,000,000 each, aggregating to INR 4,100 on a private placement basis to Sarvara Investment Fund I on the terms and conditions set out in DTD.

2. These non-convertible debentures are secured by following:

a) a first ranking mortgage on all immovable assets of SAMHI JV, both present and future, including the SAMHI JV's properties at Bengaluru.
b) a first ranking charge on all the movable assets (current, non-current and movable fixed assets) of the SAMHI JV, both present and future, including but not limited to:
i) movable properties including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other non-current assets;
ii) the permitted investments which includes government securities, fixed deposits in any scheduled commercial bank in India, which is not a lender to the Group, liquid mutual fund debt schemes.
iii) intangible assets,
iv) all current assets of SAMHI JV, including but not limited to the receivables of the SAMHI JV including cash in hand, investments classified as "held for trading", raw materials, consumable stores and spares, book debts, operating cash flow and stock in trade, and
v) all investments and bank accounts of SAMHI JV and monies lying therein.

c) a first ranking exclusive charge over all rights and receivables of the Company which includes all amounts receivable by the Company (whether as operational payments or otherwise) from SAMHI JV.

d) a first ranking exclusive pledge over the shares and securities constituting 100% share held by the Company.

e) the Corporate Guarantees provided by Barque Hotels Private Limited and Paulmech Hospitality Private Limited in favour of debenture trustee;

f) all encumbrances created or to be created to secure the Barque Hotels Private Limited Debentures (Barque Debentures), ranking pari passu inter-se the SAMHI JV Debentures and the Barque Debentures., other than the Promoter Guarantee issued by SAMHI Hotels Limited (Promoter) for securing the Barque Debentures.

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3. As per Debenture Trust Deed, return on non-convertible debentures is sum of Cash PIK and Convertible PIK.

(i) At all times during the tenure of non-convertible debentures, the debenture holder is entitled to a minimum IRR of not less than 21.34% per annum (i.e. 19.5% per annum compounded monthly).
(ii) Cash PIK is an amount that would give the debenture holder a return equal to 14.50% p.a. compounded monthly during the term of debentures. Cash PIK obligation on non-convertible debentures is to be serviced at 1.00% p.a. payable monthly for the first 6 months, at 3.50% p.a. payable monthly from the commencement of 7th month until the expiry of 12 months and at 14.50% p.a. payable monthly for balance term of 3 years (to the extent applicable) and remaining obligation on redemption of debentures.
(iii) Convertible PIK is portion of accrued interest on the non-convertible debentures that will be converted into equity shares of SAMHI Hotels Limited in accordance with the SAMHI shares allotment agreement dated 19 January 2022 between SAMHI JV, SAMHI Hotels Limited and debenture trustee.
(iv) During the financial year ended 31 March 2022, SAMHI JV paid debenture holder upfront interest of 3.00% of the nominal value of each non-convertible debentures issued as an additional interest.
(v) After lock-in-period for the non-convertible debentures of 12 months from the date of first disbursement i.e. 21 January 2022, these debentures are redeemable within 4 years at the option of SAMHI JV or at the end of 4 years from date of first disbursement. Further, the non-convertible debentures will be mandatorily redeemed within 30 days of occurrence of an IPO event.

During the year ended 31 March 2023, the debentures have been redeemed. Accordingly, the Cash PIK component has been fully repaid and the Convertible PIK component has been converted into 8,202,419 equity shares of Company allotted to Sarvara Investment Fund I at a fair value of INR 184.85 per share.

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**(f) Term loans from banks and financial institutions:**

| Particulars | Sanctioned Amount (INR Millions) | Interest rate charged per annum | | Repayment Terms | Security details |
|---|---|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 (Re-presented) | | |
| **Term Loans from Banks** | | | | | |
| Standard Chartered Bank | 310.00 | NA | 9.25% | The loan is repayable in 48 monthly installments after 12 months from the first disbursement date i.e 25 March 2021. The loan has been repaid in full on 21 February 2023. | Working capital term loan from bank is secured by second charge:<br>1) Second charge on five hotel properties of Argon Hotels Private Limited (subsidiary)<br>2) Second charge/hypothecation on moveable fixed assets of five hotel properties of subsidiary<br>3) Second charge on present and future receivables of five hotel properties of subsidiary. |
| IndusInd Bank Limited | 1,378.52 | 9.25% | 9.25% | **Tranche 1** During the year ended 31 March 2021, the Company had obtained working capital term loan amounting to INR 488.40 (under ECLGS scheme).<br><br>The loan is repayable in 48 monthly installments after 12 months from first disbursement date i.e. 6 February 2021. Interest shall be payable at monthly intervals.<br><br>**Tranche 2** During the year ended 31 March 2022, the Company had obtained working capital term loan amounting to INR 488.40 (under ECLGS scheme).<br><br>The loan is repayable in 48 monthly installments after 24 months from first disbursement date i.e. 30 September 2021. Interest shall be payable at monthly intervals.<br><br>**Tranche 3** During the year ended 31 March 2023, the Company had obtained working capital term loan amounting to INR 401.72 (under ECLGS scheme).<br><br>The loan is repayable in 48 monthly installments after 24 months from first disbursement date i.e. 29 August 2022. Interest shall be payable at monthly intervals. | Term loans from bank is secured by-<br><br>**Primary Security:**<br>1. Second charge on all immovable fixed assets of Fairfield by Marriott Bengaluru Rajajinagar and Fairfield by Marriott, Sriperumbudur (Hotels).<br>2. Second charge on all movable fixed assets of the above hotels, both present and future.<br>3. Second charge on all current assets of the above hotels both present and future.<br>4. Second charge on all the cash flows of the above hotels both present and future. |

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| Particulars | Sanctioned Amount (INR Millions) | Interest rate charged per annum | | Repayment Terms | Security Details |
|---|---|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 (Re-presented) | | |
| DBS Bank India Limited | 249.39 | 11.00% | 11.00% | The loan is repayable as bullet repayment after 24 months from first disbursement date i.e. 24 February 2022. | Term loans from bank is secured by<br>1. Second charge on all immovable fixed assets of the Ascent Hotels Private Limited ("Subsidiary") in the Project (including the hotel property and land) both present and future.<br>2. Second charge on all movable fixed assets of the Subsidiary in the Project, both present and future.<br>3. Second charge on all current assets of the Subsidiary in the Project, both present and future.<br>4. Charge by way of pledge over 99% shares of the subsidiary. |
| IndusInd Bank Limited | 1,603.10 | 9.00% | 8.65% | The loan is repayable in 56 structured quarterly installments after 15 months of moratorium commencing from 30 September 2020 till 30 June 2034. | Term loan from bank is secured by first charge:<br>1.First charge on all immovable fixed assets of Fairfield by Marriott Bengaluru, Rajajinagar and Fairfield by Marriott, Sriperumbudur (Hotels).<br>2.First charge on all movable fixed assets of the Hotels, both present and future.<br>3.Security cover/FACR of 1.25x (considering value of movable and immovable fixed assets) during the entire tenor of facilities.<br>4. First charge on all current assets of the Hotels both present and future.<br>5. First charge on all the cash flows of the Hotels both present and future.<br>6. Cross collateralization of all assets and cash flows of hotels.<br>7. Further, the Company shall maintain DSRA equivalent to one quarter principal and interest repayment due in the form of fixed deposits duly lien marked in favor of the bank. |
| **Term Loans from Financial institutions** | | | | | |
| Piramal Capital & Housing Finance Limited | 750.00 | 15.50% | 15.00% | Repayable in 7 quarterly installments starting from July 2022 of INR 17.50 and bullet repayment of INR 732.50 at the end of 8th quarter. | Loans from Piramal Capital and Housing Finance Limited is secured by way of:<br>(i) First ranking pari passu charge, by way of a memorandum of deposit of title deeds, over the Hyderabad Property in SAMHI Hotels (Ahmedabad) Private Limited ("Subsidiary")<br>(ii) First ranking pari passu charge under a deed of hypothecation inter alia over the Hyderabad Receivables, and the accounts created pursuant to the Hyderabad Escrow Agreement.<br>(iii) Demand promissory note executed by the Company for Rs. 750 million for the benefit of the Lender<br>(iv) Non-disposal undertaking from the Company for 100% (hundred percent) of the shares of Hyderabad Borrower ("NDU")<br>(v) Undertaking cum guarantee provided by the Company and the Pune Borrower (Ascent Hotels Private Limited) for utilization of any surplus from Pune Asset deposited in the Promoter ("SAMHI Hotels Limited") Escrow Account towards repayment of Outstanding Amounts |
| STCI Finance Limited | 600.00 | 12.75% | NA | The term loan is repayable in 16 quarterly instalments after 12 months of moratorium from date of first disbursement i.e. 29 March 2023. | Loans from STCI Finance Limied is secured by way of:<br>(i) First exclusive charge by equitable mortgage on hotel "Caspia" Shalimar Bagh Delhi<br>(ii) First charge on the receivables of the borrower from its subsidiaries towards common cost allocation.<br>(iii) First exclusive charge on the Receivables from the Hotel Caspia Shalimar Bagh Delhi |
| **Vehicle Loans from Financial institution** | | | | | |
| **SAMHI Hotels Limited** | | | | | |
| BMW Financial Services | 9.00 | 11.25% | NA | Repayable in 60 monthly installments | It is secured by way of hypothecation against the respective vehicles |
| BMW Financial Services | 5.62 | NA | 9.70% | Repayable in 48 monthly installments. The same was repaid during the year. | It is secured by way of hypothecation against the respective vehicles. During the year ended 31 March 2023, the loan was repaid and security was released. |

The Company did not have any continuing defaults in the repayment of loans and interest. There have been no material loan covenant defaults and there has been no intimation from the banks/ financial institutions for recalling any loan facility. The Company has sought and received waiver letters from all its lenders as at and for the year ended 31 March 2023.

For information about the Company's exposure to interest rate and liquidity risks refer note 40.

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*(All amounts in Rupees millions, unless otherwise stated)*

**20 Non-current financial liabilities - Lease liabilities**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Lease liabilities (refer note 46) | 45.23 | 8.86 |
| | **45.23** | **8.86** |

**21 Non-current financial liabilities - Others**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Derivative component of Convertible-PIK (secured)* (FVTPL) | - | 1,584.70 |
| | - | **1,584.70** |

* This represents the fair value of Convertible PIK (Payment in kind) obligation of Non-Convertible Debentures issued during the year ended 31 March 2022. Convertible PIK (Payment in kind) is portion of accrued interest on the debentures convertible into equity shares in accordance with the share allotment agreement of subsidiaries (Barque Hotels Private Limited [Barque] and SAMHI JV Business Hotels Private Limited [SAMHI JV]) with the debentures holder dated 22 October 2021 and 19 January 2022 respectively. During the year ended 31 March 2023, Convertible PIK portion of accrued interest on the Debentures has been converted into 8,202,419 equity shares alloted to Sarvara Investment Fund I at a fair value of INR 184.85 per share. Refer note 19(e).

**22 Non-current Provisions**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Provision for employee benefits | | |
| Gratuity (refer note 32) | 19.89 | 18.07 |
| Compensated absences (refer note 32) | 15.42 | 8.38 |
| Other provisions | | |
| Decommissioning liability * | 1.03 | 1.02 |
| | **36.34** | **27.47** |
| *** Movement in Decommissioning liability** | | |
| Opening balance | 1.02 | 1.01 |
| Provision made during the year | 0.01 | 0.01 |
| Provisions utilised during the year | - | - |
| **Closing balance** | **1.03** | **1.02** |

A provision has been recognised for decommissioning liabilities associated with office premises taken on operating lease. As per the lease agreement, the Company is required to restore the office premises to the original condition.

**23 Current financial liabilities - Borrowings**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| *(Secured)* | | |
| Cash credit and overdraft facilities from bank | - | 4.81 |
| Loan from bank | - | 158.50 |
| Current maturities of long-term borrowings # | 1,229.28 | 239.73 |
| *(Unsecured)* | | |
| Loan from subsidiaries (unsecured) * | - | 134.66 |
| Current maturities of Non Convertible Debentures (unsecured) #<br>720 (31 March 2022 - Nil) , 25.00% Non Convertible Debenture of Rs 1,000,000 each | 1,240.90 | - |
| Current maturities of Fully Compulsory Convertible Debentures (unsecured) #<br>1,260,000 (31 March 2022 - Nil) 8.5 % Fully Compulsory Convertible Debentures (FCCD) of INR 1,000 each held by International Finance Corporation (IFC) | 1,639.96 | - |
| | **4,110.14** | **537.70** |

# Refer note 19 for terms and conditions of borrowings.

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**Cash credit and overdraft facility from banks**

| Particulars | Sanctioned Amount (INR Millions) | Interest rate charged per annum 31 March 2023 | Interest rate charged per annum 31 March 2022 (Re-presented) | Repayment Terms | Security details |
|---|---|---|---|---|---|
| IndusInd Bank Limited | 50.00 | 10.05% | 8.65% | Repayable on demand. | This is secured by exclusive:<br>1.First charge on all immovable fixed assets of Fairfield by Marriott Bengaluru, Rajajinagar and Fairfield by Marriott, Sriperumbudur (Hotels).<br>2.First charge on all movable fixed assets of the Hotels, both present and future.<br>3. First charge on all current assets of the Hotels both present and future.<br>4. First charge on all the cash flows of the Hotels both present and future. |

**Short term loan from Banks**

| Particulars | Sanctioned Amount (INR Millions) | Interest rate charged per annum 31 March 2023 | Interest rate charged per annum 31 March 2022 (Re-presented) | Repayment Terms | Security details |
|---|---|---|---|---|---|
| DBS Bank India Limited | 158.50 | NA | 13.00% | The loan is repayable as bullet payment after 6 months from first disbursement date. During the year ended 31 March 2023, the loan has been repaid in full. | Term loan from DBS bank is secured by:<br>1. Second charge on all immovable fixed assets of the Ascent Hotels Private Limited ("Subsidiary") in the Project (including the hotel property and land) both present and future.<br>2. Second charge on all movable fixed assets of the Subsidiary in the Project, both present and future.<br>3. Second charge on all current assets of the Subsidiary in the Project, both present and future.<br>4. Charge by way of pledge over shares of the Ascent Hotels Private Limited ("Subsidiary") |

* includes loan received from SAMHI Hotels (Ahmedabad) Private Limited carrying interest rate of 13% p.a for general corporate purposes, re-payable within 12 months. During the current year, the amount has been repaid.

### 24 Current financial liabilities - Lease liabilities

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Lease liabilities (refer note 46 ) | 16.40 | 16.35 |
| | **16.40** | **16.35** |

### 25 Current financial liabilities - Trade payables

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises (MSME) | 13.82 | 4.30 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 418.36 | 265.83 |
| | **432.18** | **270.13** |

a) Refer note 44 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
b) Refer note 39 for related party disclosure
c) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 40.

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*(All amounts in Rupees millions, unless otherwise stated)*

**Trade payables ageing schedule**
**As at 31 March 2023**

| Particulars | Outstanding for following periods from the date of transaction | | | | | |
|---|---|---|---|---|---|---|
| | Accrued expenses | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | 12.65 | 0.19 | 0.37 | 0.61 | **13.82** |
| Others | 158.65 | 140.88 | 39.32 | 32.53 | 46.98 | **418.36** |
| Total | **158.65** | **153.53** | **39.51** | **32.90** | **47.59** | **432.18** |

**As at 31 March 2022 (Re-presented)**

| Particulars | Outstanding for following periods from the date of transaction | | | | | |
|---|---|---|---|---|---|---|
| | Accrued expenses | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | 3.63 | 0.20 | 0.44 | 0.03 | **4.30** |
| Others | 101.82 | 84.44 | 35.27 | 34.70 | 9.60 | **265.83** |
| Total | **101.82** | **88.07** | **35.47** | **35.14** | **9.63** | **270.13** |

The Company does not have any disputed dues which are payable as at 31 March 2023 and 31 March 2022.

**26 Current financial liabilities - Others**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Employee related payables | 22.34 | 39.75 |
| Payable for capital assets | 2.44 | 2.44 |
| Purchase consideration payable (refer note 54) | - | 750.00 |
| Interest accrued on borrowings (refer note 19) | 24.10 | 0.07 |
| | **48.88** | **792.26** |

**27 Other current liabilities**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Advance from customers | 9.39 | 6.57 |
| Other advances* | 19.56 | 55.47 |
| Statutory dues payable | 92.36 | 158.95 |
| | **121.31** | **220.99** |

* Refer note 39 for related party disclosure

**28 Current provisions**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 32) | 5.23 | 5.08 |
| Compensated absences (refer note 32) | 10.30 | 2.46 |
| | **15.53** | **7.54** |

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*(All amounts in Rupees millions, unless otherwise stated)*

| **29 Revenue from operations** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| **Sale of services** | | |
| - Room revenue | 525.16 | 305.24 |
| - Food and beverage revenue | 194.27 | 136.45 |
| - Recreation and other services | 306.88 | 252.75 |
| | **1,026.31** | **694.44** |

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms / restaurant/ banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. Excess of revenue over invoicing is recorded as unbilled revenue. Revenue recognised in the statement of profit and loss is same as the contracted price.

| | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| **Contract liabilities** | | |
| Advance from customers | 9.39 | 6.57 |
| **Trade Receivables** | 295.89 | 217.27 |

Note: Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue and trade receivables is converted into cash within the same operating cycle.

| **30 Other income** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| Interest income from financial assets at amortised cost | | |
| - on bank deposits | 9.42 | 5.42 |
| - on loan to subsidiaries | 173.91 | 18.36 |
| - on others | 3.97 | 3.10 |
| Government grant | - | 0.05 |
| Provision no longer required written back | 3.15 | - |
| Interest on income tax refund | 1.93 | - |
| Unwinding of discount on security deposit | 0.45 | 0.40 |
| Miscellaneous income | 0.02 | 0.16 |
| | **192.85** | **27.49** |

| **31 Cost of materials consumed** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| **Consumption of food and beverages** | | |
| Inventory at the beginning of the year | 2.89 | 3.90 |
| Add : Purchases during the year | 59.04 | 41.87 |
| Inventory at the end of the year | (4.47) | (2.89) |
| | **57.46** | **42.88** |

| **32 Employee benefits expense** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| Salaries, wages and bonus | 262.22 | 236.84 |
| Contribution to provident fund and other funds (refer 'a' below) | 14.84 | 10.53 |
| Compensated absences (refer 'b' below) | 18.67 | - |
| Gratuity expense (refer 'c' below) | 3.86 | 3.29 |
| Share based payments (Refer note 45) | 26.06 | - |
| Staff welfare expenses | 18.43 | 16.82 |
| | **344.08** | **267.48** |

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**a. Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Labour Welfare Fund and Employees' State Insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to profit or loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund, Labour Welfare Fund and Employees' State Insurance for the year aggregated to INR 14.84 (31 March 2022 - INR 10.53) Also refer note 37.

**b. Compensated absences**

The principal assumptions used in determining the compensated absences benefit obligation are as given below:

| **Particulars** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| | **%** | **%** |
| Discounting rate | 7.04 | 4.97 |
| Salary growth rate | 5.50 | 5.50 |

**c. Defined Benefit Plan**

**Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarize the components of net benefit expense recognized in the Standalone Statement of Profit and Loss, the funded status and amounts recognized in the Standalone balance sheet for the gratuity plans:-

**i) Expense recognised in Profit or Loss**

| **Particulars** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| Current service cost | 2.66 | 2.36 |
| Interest cost | 1.20 | 0.93 |
| **Total expenses recognised in the Standalone Statement of Profit and Loss** | **3.86** | **3.29** |

**ii) Remeasurements recognized directly in other comprehensive income**

| **Particulars** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| Net actuarial (gain)/loss recognized in the year | | |
| - changes in demographic assumptions | (0.12) | (0.02) |
| - changes in financial assumptions | (1.78) | (0.36) |
| - changes in experience adjustments | 4.23 | 0.31 |
| **Amount to be recognized in other comprehensive income** | **2.33** | **(0.07)** |

**iii) Change in present value of benefit obligation**

| **Particulars** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| Present value of obligation as at the beginning of the year | 23.14 | 20.58 |
| Acquisition adjustment | - | 2.15 |
| Current service cost | 2.66 | 2.36 |
| Interest cost | 1.20 | 0.93 |
| Actuarial (gain)/loss | 2.33 | (0.07) |
| Benefits paid | (4.21) | (2.81) |
| Present value of obligation as at the end of the year | **25.12** | **23.14** |

*(All amounts in Rupees millions, unless otherwise stated)*

**iv) Amounts to be recognized in Standalone Balance sheet**

| Particulars | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Present value of the defined benefit obligation at the end of the year | 25.12 | 23.14 |
| Funded status | - | - |
| **Net liability recognized in the Balance Sheet** | **(25.12)** | **(23.14)** |
| Current | 5.23 | 5.08 |
| Non-Current | 19.89 | 18.06 |

**v) The principal assumptions used in determining the gratuity benefit obligation are as given below**

| Particulars | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| | % | % |
| Discounting rate (i) | 7.04 | 4.97 |
| Salary growth rate (ii) | 5.50 | 5.50 |

(i) The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

(ii) The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

| Demographic assumptions | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Retirement Age (years) | 58.00 | 58.00 |
| Mortality Table | IALM (2012-2014) ultimate table | IALM (2012-2014) ultimate table |
| Withdrawal Rate | % | % |
| Corporate location | 18.00 | 21.00 |
| Bangalore location | 83.00 | 49.00 |
| Chennai location | 52.00 | 67.00 |
| Delhi location | 58.00 | - |

**(vi)** The Company best estimate of expense for the next year is INR 3.88 (31 March 2022: INR 3.55)

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | 31 March 2023 | |
|---|---|---|
| | **Increase *** | **Decrease *** |
| Discount rate (0.5% movement) | (0.45) | 0.46 |
| Salary growth rate (0.5% movement) | 0.47 | (0.45) |

| | 31 March 2022 (Re-presented) | |
|---|---|---|
| | **Increase *** | **Decrease *** |
| Discount rate (0.5% movement) | (0.40) | 0.41 |
| Salary growth rate (0.5% movement) | 0.41 | (0.40) |

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Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

* Positive amount represents increase in provision
* Negative amount represents decrease in provision

Sensitivity changes due to withdrawal and mortality are not material and hence not disclosed.

There was no change in the method and assumptions used in preparing the senstivity analysis from prior years.

**d) Maturity profile of defined benefit obligation**

| Year | As at 31 March 2023 |
|---|---|
| April 2023- March 2024 | 5.23 |
| April 2024- March 2025 | 4.08 |
| April 2025- March 2026 | 3.07 |
| April 2026- March 2027 | 2.42 |
| April 2027- March 2028 | 2.42 |
| April 2028- March 2029 | 1.46 |
| April 2029 onwards | 6.44 |
| | **25.12** |

| Year | As at 31 March 2022 (Re-presented) |
|---|---|
| April 2022- March 2023 | 5.08 |
| April 2023- March 2024 | 3.75 |
| April 2024- March 2025 | 3.02 |
| April 2025 - March 2026 | 2.38 |
| April 2026 - March 2027 | 1.88 |
| April 2027- March 2028 | 1.78 |
| April 2028 onwards | 5.25 |
| | **23.14** |

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| **33 Finance costs** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| Interest expense on financial liabilities carried at amortised cost | | |
| - Fully Compulsory Convertible Debentures* | (240.64) | (42.67) |
| - Non Convertible Debentures | 468.10 | 358.04 |
| - Optionally Convertible Debentures | 68.08 | 17.07 |
| - Vehicle loan | 0.54 | 0.70 |
| - Loans from banks and financial institutions # | 408.59 | 376.13 |
| - Others | 1.00 | 0.39 |
| - Loan from subsidiaries | 223.72 | 78.86 |
| - Lease liabilities | 1.78 | 3.33 |
| Interest expense on delay in deposit of statutory dues | 19.23 | 15.01 |
| Other finance costs | 21.70 | 16.16 |
| Unwinding of discount on asset retirement obligation | 0.01 | 0.01 |
| | **972.11** | **823.03** |

* Includes gain on remeasurement of cash flows amounting to INR 251.58 (31 March 2022 INR 169.66).
# Net of interest income on bank deposits of INR 5.26 (31 March 2022 - INR 1.17) made out of loan funds.

| **34 Depreciation and amortisation expense** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| Depreciation of property, plant and equipment | 73.75 | 79.98 |
| Amortization of right-to-use assets | 17.73 | 17.73 |
| Amortisation of other intangible assets | 5.11 | 3.49 |
| | **96.59** | **101.20** |

| **35 Other expenses** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022 (Re-presented)** |
|---|---|---|
| Repair and maintenance | | |
| - Building | 21.33 | 18.84 |
| - Machinery | 11.72 | 13.41 |
| - Others | 18.06 | 14.92 |
| Advertisement and business promotion | 21.01 | 12.96 |
| Commission | 19.06 | 16.92 |
| Communication | 3.36 | 2.85 |
| Consumption of stores and supplies | 30.16 | 23.03 |
| Contractual labour | 13.62 | 9.09 |
| General administration expenses | 10.92 | 7.13 |
| Hotel running expenses | 3.95 | - |
| Insurance | 3.12 | 3.04 |
| Director's sitting fees | 0.60 | - |
| Legal and professional charges | 40.09 | 54.99 |
| Loss on fair valuation of derivative component of FCCD | - | 3.30 |
| Loss on foreign exchange fluctuation (net) | 9.09 | 3.42 |
| Loss on disposal of property, plant and equipment | 0.54 | 0.60 |
| Management and incentive fees | 30.67 | 14.00 |
| Payment to auditors (refer below)* | 2.73 | 2.55 |
| Power, fuel and water | 67.35 | 58.54 |
| Loss allowance on trade receivables | 7.85 | 0.16 |
| Rates and taxes | 28.87 | 23.28 |
| Training expenses | 1.12 | 0.96 |
| Travelling and conveyance | 31.74 | 22.31 |
| Miscellaneous expenses | 3.58 | 5.44 |
| | **380.54** | **311.74** |
| ***Payment to auditors comprises** | | |
| As Auditors | | |
| Statutory audit | 2.42 | 2.30 |
| Reimbursement of expenses | 0.31 | 0.25 |
| | **2.73** | **2.55** |

| **35a Exceptional Items** | | |
|---|---|---|
| Initial Public Offering (IPO) related costs | 22.41 | - |
| | **22.41** | - |

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*(All amounts in Rupees millions, unless otherwise stated)*

**36 Earnings/(loss) per share (EPS)**

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS are calculated by dividing the loss for the year attributable to the equity holders by weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 (Re-presented) |
|---|---|---|
| Net loss attributable to equity shareholders | (654.03) | (824.40) |
| Weighted average number of equity shares for calculation of basic EPS | 77,071,295 | 76,270,704 |
| Weighted average number of equity shares for calculation of diluted EPS* # | 77,071,295 | 76,270,704 |
| Nominal value of equity share (INR) | 1 | 1 |
| Basic earnings/(loss) per share (INR) | (8.49) | (10.81) |
| Diluted earnings/(loss) per share (INR) | (8.49) | (10.81) |

**Calculation of weighted average number of equity shares for Basic EPS:**

| | | |
|---|---|---|
| Number of shares at the beginning of the year | 76,270,704 | 76,270,704 |
| Effect of shares issued in relation to convertible PIK component of non convertible debentures | 741,589 | - |
| Effect of shares issued in relation to Optionally convertible debentures (unsecured) | 59,002 | - |
| Number of shares outstanding at the end of the year | 77,071,295 | 76,270,704 |

* The outstanding potential equity shares have an anti-dilutive effect on EPS. Hence, the same have not been considered for calculation of diluted earnings/(loss) per share.

# Also refer note 45

**37 Commitments and Contingent liabilities**

**a) Commitments**

Going concern support in form of funding and operational support letters issued by the Company in favour of SAMHI JV Business Hotels Private Limited, SAMHI Hotels (Gurgaon) Private Limited, SAMHI Hotels (Ahmedabad) Private Limited, Barque Hotels Private Limited, CASPIA Hotels Private Limited, Ascent Hotels Private Limited, Argon Hotels Private Limited and Paulmech Hospitality Private Limited.

**b) Contingent liabilities**

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| **Particulars** | **Total Amount of addition** | **Amount paid under protest** | **Total Amount of addition** | **Amount paid under protest** |
| Income Tax Act, 1961 | 18.13 | - | 18.13 | - |

i) In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under The Employees' Provident Funds And Miscellaneous Provision Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods.

ii) The Company has received an assessment order for financial year 2015-16 whereby an addition of INR 18.13 has been made to the total income of the Company. The addition pertains to unreasonable share premium under Section 56(2)(viib) of Income Tax Act, 1961 and legal and professional expenses incurred on acquisition of investment in Ascent Hotels Private Limited. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal.

**38 Operating Segments**

The Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker ('CODM'), since he is responsible for all major decisions w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. CODM has examined the Company's performance from product and geographic perspective and has identified a single business segment i.e. "Developing and running of hotels", hence no specific disclosures have been made.

**A. Information about products and services**
The Company primarily deals in one business namely "Developing and running of hotels", therefore product wise revenue disclosure is not applicable.

**B. Information about geographical areas**
The Company provides services to customers in India. Further, there are no non-current assets located outside India.

**C. Information about major customers (from external customers)**
The Company does not derive revenue from one customer which would amount to 10 per cent or more of the entity's revenue.

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## 39 Related party disclosures

**(a) Related party and nature of related party relationship where control exists:**

| Description of relationship | Name of the Party |
|---|---|
| Entities having significant influence | Blue Chandra Pte Limited<br>GTI Capital Alpha Private Limited<br>Goldman Sachs Investment Holding (Asia) Limited |
| Subsidiaries (Including step-down subsidiary) | SAMHI JV Business Hotels Private Limited<br>SAMHI Hotels (Gurgaon) Private Limited<br>Barque Hotels Private Limited<br>SAMHI Hotels (Ahmedabad) Private Limited<br>CASPIA Hotels Private Limited<br>Ascent Hotels Private Limited<br>Argon Hotels Private Limited<br>Paulmech Hospitality Private Limited ("Step-down subsidiary") |

**(b) Other related parties with whom transactions have taken during the current/previous year:**

| Description of relationship | Name of the Party |
|---|---|
| Key managerial personnel (KMP) | Ashish Jakhanwala (Chairman Managing Director and CEO)<br>Rajat Mehra (Chief Financial Officer)<br>Archana Capoor (Independent Director)<br>Manav Thadani (Director)<br>Krishan Dhawan (Independent Director)<br>Aditya Jain (Independent Director)<br>Michael David Holland (Independent Director) |
| Relative of key managerial personnel (KMP) | Arti Jakhanwala (Spouse of Ashish Jakhanwala) |
| Enterprises in which KMP have control or exercise significant influence (Manav Thadani) | Thadani Ventures LLP |

**(c) Related party transactions during the year:**

| Particulars | Entities with significant influence | | Subsidiaries | | Key managerial personnel (KMP), Relatives of KMP & Enterprises in which KMP have control or exercise significant influence | |
|---|---|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 (Re-presented) | 31 March 2023 | 31 March 2022 (Re-presented) | 31 March 2023 | 31 March 2022 (Re-presented) |
| **Unsecured loans given to subsidiary** | | | | | | |
| Argon Hotels Private Limited | - | - | 11.50 | 122.75 | - | - |
| Ascent Hotels Private Limited | | | 91.42 | 808.50 | | |
| SAMHI Hotels (Ahmedabad) Private Limited | | | 412.25 | - | | |
| **Repayment of unsecured loan** | | | | | | |
| Argon Hotels Private Limited | - | - | 134.25 | - | - | - |
| SAMHI Hotels (Ahmedabad) Private Limited | | | 172.97 | | | |
| **Repayment of unsecured loan received - loan portion** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | - | 6.50 | - | - |
| **Interest expense** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | 223.09 | 76.46 | - | - |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 0.63 | 2.40 | - | - |
| Arti Jakhanwala | - | - | - | - | 7.51 | 1.73 |
| Thadani Ventures LLP | - | - | - | - | 25.40 | 6.50 |
| **Interest income on unsecured loan** | | | | | | |
| Argon Hotels Private Limited | - | - | 10.91 | 5.04 | - | - |
| Ascent Hotels Private Limited | - | - | 113.42 | 13.31 | - | - |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 49.59 | - | - | - |
| Ashish Jakhanwala | - | - | - | - | 3.03 | 3.03 |
| **Unsecured loan given - directly recognised as deemed investment** | | | | | | |
| Barque Hotels Private Limited | - | - | 20.00 | 254.55 | - | - |
| **Issue of equty share capital (including share premium)** | | | | | | |
| Arti Jakhanwala | - | - | - | - | 13.28 | - |
| Thadani Ventures LLP | - | - | - | - | 41.56 | - |
| **Purchase of business on slump sale basis (refer note 54)** | | | | | | |
| Argon Hotels Private Limited | - | - | 750.00 | - | - | - |
| **Loss on early repayment of loan to subsidiary company - directly recognised as deemed investment** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | - | 4.14 | - | - |
| **Reimbursement of expenses (net)** | | | | | | |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 5.77 | 1.02 | - | - |
| Argon Hotels Private Limited | - | - | 0.79 | - | - | - |
| SAMHI JV Business Hotels Private Limited | - | - | 4.94 | 2.99 | - | - |
| CASPIA Hotels Private Limited | - | - | 0.06 | 12.00 | - | - |
| Barque Hotels Private Limited | - | - | 0.92 | - | - | - |
| Ascent Hotels Private Limited | - | - | - | 0.06 | - | - |
| **Repayment of unsecured loan given - directly adjusted through deemed investment** | | | | | | |
| CASPIA Hotels Private Limited | - | - | - | 35.00 | - | - |
| Argon Hotels Private Limited * | - | - | 850.00 | - | - | - |
| **Modification in terms of loan given - reclassed to deemed investment** | | | | | | |
| Argon Hotels Private Limited | - | - | - | 2,731.47 | - | |

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| Particulars | Entities with significant influence | | Subsidiaries | | Key managerial personnel (KMP), Relatives of KMP & Enterprises in which KMP have control or exercise significant influence | |
|---|---|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 (Re-presented) | 31 March 2023 | 31 March 2022 (Re-presented) | 31 March 2023 | 31 March 2022 (Re-presented) |
| **Sale of Services - Recreation and other services (excluding taxes)** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | 83.73 | 77.47 | - | - |
| SAMHI Hotels (Gurgaon) Private Limited | - | - | 9.27 | 11.03 | - | - |
| Barque Hotels Private Limited | - | - | 70.91 | 64.09 | - | - |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 31.58 | 21.47 | - | - |
| CASPIA Hotels Private Limited | - | - | 22.26 | 23.98 | - | - |
| Ascent Hotels Private Limited | - | - | 27.88 | 26.00 | - | - |
| Argon Hotels Private Limited | - | - | 45.52 | 19.49 | - | - |
| | | | | | | |
| **Optional Convertible Debentures (unsecured)** | | | | | | |
| Arti Jakhanwala | - | - | - | - | - | 10.00 |
| Thadani Ventures LLP | - | - | - | - | - | 28.50 |
| | | | | | | |
| **Unsecured loans received from subsidiaries** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | - | 903.54 | - | - |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | - | 132.50 | - | - |
| | | | | | | |
| **Unsecured loans re-payment to subsidiaries** | | - | | | | |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 135.24 | - | - | - |
| | | | | | | |
| **Advance given to subsidiary** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | - | 850.00 | - | - |
| | | | | | | |
| **Advance received from subsidiary** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | - | 848.50 | - | - |
| | | | | | | |
| **Deemed Investment - Derivative component of convertible PIK obligation** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | - | 863.30 | - | - |
| Barque Hotels Private Limited | - | - | - | 721.40 | - | - |
| | | | | | | |
| **Deemed Investment - Derivative component of convertible-PIK obligation (change in fair value)** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | 57.10 | - | - | - |
| Barque Hotels Private Limited | - | - | 11.38 | - | - | - |
| | | | | | | |
| **Conversion of fully compulsorily convertible debentures ("FCCDs") into equity shares** | | | | | | |
| Barque Hotels Private Limited | - | - | - | 955.76 | - | - |
| | | | | | | |
| **Reimbursement of expenses to** | | | | | | |
| Blue Chandra Pte Limited | - | 5.64 | - | - | - | - |
| | | | | | | |
| **Director's sitting fees** | | | | | | |
| Archana Capoor | - | - | - | - | 0.10 | - |
| Manav Thadani | - | - | - | - | 0.10 | - |
| Krishan Dhawan | - | - | - | - | 0.20 | - |
| Aditya Jain | - | - | - | - | 0.10 | - |
| Michael David Holland | - | - | - | - | 0.10 | - |
| | | | | | | |
| **Key management personnel compensation** | | | | | | |
| Ashish Jakhanwala | | | | | | |
| Short-Term employee benefits | - | - | - | - | 45.99 | 50.60 |
| Post-employment benefits - provident fund | - | - | - | - | 0.21 | 0.57 |
| Post-employment benefits - gratuity | - | - | - | - | 1.38 | 0.72 |
| Long term employee benefits - compensated absences | - | - | - | - | 4.20 | - |
| | | | | | | |
| Rajat Mehra | | | | | | |
| Short-Term employee benefits | - | - | - | - | 21.05 | 17.72 |
| Post-employment benefits - provident fund | - | - | - | - | 0.68 | 0.62 |
| Post-employment benefits - gratuity | - | - | - | - | 1.01 | 0.22 |
| Long term employee benefits - compensated absences | - | - | - | - | 2.32 | - |

In addition to the above transactions:

During the year ended 31 March 2021, the Holding Company issued 25% Non convertible debentures to GTI Capital Epsilon Private Limited and Mercer Investments (Singapore) Pte Limited amounting to INR 150.00 and INR 720.00 respectively. GTI Capital Epsilon Private Limited and Mercer Investments (Singapore) Pte Limited are related parties of the equity shareholders of the Holding company i.e. GTI Capital Alpha Private limited and Goldman Sachs Investments Holding (Asia) Limited respectively. The interest expense on these NCDs issued to GTI Capital Epsilon Private Limited amounts to 31 March 2023: INR 34.27, 31 March 2022: INR 55.26 and carrying value of these NCDs amounts to 31 Marrch 2023: INR 234.13, 31 March 2022: INR 202.63 respectively. The interest expense on these NCDs issued to Mercer Investments (Singapore) Pte Limited amounts to 31 March 2023: INR 340.02, 31 March 22: INR 264.92 and carrying value of these NCD's amounts to 31 March 2023: INR 1,240.90, 31 March 2022: INR 951.89 respectively.

Refer note 19 for change in terms of NCD's issued to GTI Capital Epsilon Private Limited.

In addition to transactions above,
- refer note 19 (c) in respect of security provided by subsidiary for loan from Standard Chartered Bank and DBS Bank
- refer note 19 (c) in respect of security provided by subsidiary for loans from Piramal Capital and Housing Finance Limited.

* includes INR 730 adjusted against purchase consideration payable by the Company for purchase of business on slump sale (refer note 54)

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*(All amounts in Rupees millions, unless otherwise stated)*

**(d) Related party balances**

| Particulars | Entities with significant influence | | Subsidiaries | | Key managerial personnel (KMP), Relatives of KMP & Enterprises in which KMP have control or exercise significant influence | |
|---|---|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 (Re-presented) | 31 March 2023 | 31 March 2022 (Re-presented) | 31 March 2023 | 31 March 2022 (Re-presented) |
| | | | | | | |
| **Unsecured loan (including accrued interest)** | | | | | | |
| Argon Hotels Private Limited | - | - | - | 127.67 | - | - |
| Ascent Hotels Private Limited | - | - | 1,024.75 | 820.48 | - | - |
| SAMHI (Ahmedabad) Hotels Private Limited | - | - | 288.63 | - | - | - |
| | | | | | | |
| **Unsecured loan given (including accrued interest)** | | | | | | |
| Ashish Jakhanwala | - | - | - | - | 47.85 | 44.82 |
| Rajat Mehra | | | | | 2.50 | 2.50 |
| | | | | | | |
| **Investment in equity shares** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | 1,617.05 | 1,617.05 | - | - |
| SAMHI Hotels (Gurgaon) Private Limited | - | - | 721.32 | 721.32 | - | - |
| CASPIA Hotels Private Limited | - | - | 114.85 | 114.85 | - | - |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 616.00 | 616.00 | - | - |
| Barque Hotels Private Limited | - | - | 2,039.89 | 2,039.89 | - | - |
| Ascent Hotels Private Limited | - | - | 1,196.00 | 1,196.00 | - | - |
| Argon Hotels Private Limited | - | - | 20.00 | 20.00 | - | - |
| | | | | | | |
| **Investment in 0.001% Compulsorily Convertible Preference Shares (CCPS)** | | | | | | |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 1,260.00 | 1,260.00 | - | - |
| | | | | | | |
| **Trade payables** | | | | | | |
| Blue Chandra Pte Limited | - | 5.64 | - | - | - | - |
| SAMHI JV Business Hotels Private Limited | - | - | 0.52 | 0.60 | - | - |
| SAMHI (Ahmedabad) Hotels Private Limited | - | - | 1.16 | 1.53 | - | - |
| CASPIA Hotels Private Limited | - | - | 0.07 | 0.01 | - | - |
| Barque Hotels Private Limited | - | - | 0.59 | - | - | - |
| Argon Hotels Private Limited | - | - | 0.04 | - | - | - |
| SAMHI Hotels (Gurgaon) Private Limited | - | - | 0.56 | - | - | - |
| Ascent Hotels Private Limited | - | - | - | 0.06 | - | - |
| | | | | | | |
| **Trade receivables** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | 95.34 | 97.02 | - | - |
| Barque Hotels Private Limited | - | - | 49.10 | 65.90 | - | - |
| Ascent Hotels Private Limited | - | - | 29.45 | - | - | - |
| SAMHI (Ahmedabad) Hotels Private Limited | - | - | 30.33 | - | - | - |
| Argon Hotels Private Limited | - | - | 19.77 | 22.16 | - | - |
| | | | | | | |
| **Other Current liabilities** | | | | | | |
| CASPIA Hotels Private Limited | - | - | 14.43 | 20.49 | - | - |
| SAMHI (Ahmedabad) Hotels Private Limited | - | - | - | 31.77 | - | - |
| Ascent Hotels Private Limited | - | - | - | 3.20 | - | - |
| SAMHI Hotels (Gurgaon) Private Limited | - | - | 5.13 | 8.45 | - | - |
| | | | | | | |
| ***Deemed investment - Unsecured interest free loans*** | | | | | | |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 555.49 | 555.49 | - | - |
| SAMHI Hotels (Gurgaon) Private Limited | - | - | 359.54 | 359.54 | - | - |
| CASPIA Hotels Private Limited | - | - | 2,632.42 | 2,632.42 | - | - |
| Barque Hotels Private Limited | - | - | 2,471.02 | 2,451.03 | - | - |
| SAMHI JV Business Hotels Private Limited | - | - | 41.96 | 41.96 | - | - |
| Ascent Hotels Private Limited | - | - | 315.25 | 315.25 | - | - |
| Argon Hotels Private Limited | - | - | 1,881.47 | 2,731.47 | - | - |
| | | | | | | |
| **Optional Convertible Debentures (unsecured including accrued interest)** | | | | | | |
| Arti Jakhanwala | - | - | - | - | - | 11.55 |
| Thadani Ventures LLP | - | - | - | - | - | 34.35 |
| | | | | | | |
| **Unsecured loan received - loan portion** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | 1,460.09 | 1,317.89 | - | - |
| | | | | | | |
| **Deemed investment - Overdraft facilities at concessional rate** | | | | | | |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 4.90 | 4.90 | - | [illegible] |
| Barque Hotels Private Limited | - | - | 18.69 | 18.69 | - | [illegible] |

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SAMHI HOTELS LIMITED

**SAMHI Hotels Limited**
**CIN U55101DL2010PLC211816**
**Notes to the standalone financial statements for the year ended 31 March 2023**
*(All amounts in Rupees millions, unless otherwise stated)*

| Particulars | Entities with significant influence | | Subsidiary | | Key managerial personnel (KMP), Relatives of KMP & Enterprises in which KMP/Director have control or exercise significant influence | |
|---|---|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 (Re-presented) | 31 March 2023 | 31 March 2022 (Re-presented) | 31 March 2023 | 31 March 2022 (Re-presented) |
| **Unsecured loan received (including accrued interest)** | | | | | | |
| SAMHI (Ahmedabad) Hotels Private Limited | - | - | - | 134.66 | - | - |
| | | | | | | |
| **Deemed investment - Derivative component of convertible PIK obligation** | | | | | | |
| SAMHI JV Business Hotels Private Limited | - | - | 806.20 | 863.30 | - | - |
| Barque Hotels Private Limited | - | - | 710.02 | 721.40 | - | - |
| | | | | | | |
| **Impairment of investment of equity shares** | | | | | | |
| SAMHI Hotels (Gurgaon) Private Limited | - | - | 298.04 | 298.04 | - | - |
| Barque Hotels Private Limited | - | - | 1,241.03 | 1,241.03 | - | - |
| SAMHI Hotels (Ahmedabad) Private Limited | - | - | 990.74 | 990.74 | - | - |
| CASPIA Hotels Private Limited | - | - | 1,249.57 | 1,249.57 | - | - |
| Ascent Hotels Private Limited | - | - | 370.05 | 370.05 | - | - |
| Argon Hotels Private Limited | - | - | 20.00 | 20.00 | - | - |
| | | | | | | |
| **Provision for employee benefits** | | | | | | |
| Ashish Jakhanwala | | | | | | |
| Post-employment benefits - gratuity | - | - | - | - | 7.61 | 6.24 |
| Other long term employee benefits - Compensated absences | - | - | - | - | 6.54 | 2.34 |
| | | | | | | |
| Rajat Mehra | | | | | | |
| Post-employment benefits - gratuity | - | - | - | - | 3.36 | 2.35 |
| Other long term employee benefits - Compensated absences | - | - | - | - | 3.36 | 1.04 |
| | | | | | | |

Outstanding balances at the year-end are unsecured and are settled in cash. For the year ended 31 March 2023 and 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting year.

The Company has provided an undertaking / corporate guarantee on behalf of SAMHI Hotels (Ahmedabad) Private Limited, CASPIA Hotels Private Limited, Ascent Hotels Private Limited, SAMHI Hotels (Gurgaon) Private Limited, Barque Hotels Private Limited, SAMHI JV Business Hotels Private Limited and Argon Hotels Private Limited in respect of loans obtained from banks/ financial institutions.

The Company has provided, corporate guarantee to Starwood Hotel and Resorts India Private Limited [Operator of SAMHI Hotels (Ahmedabad) Private Limited] pursuant to the Operating services agreement entered by SAMHI Hotels (Ahmedabad) Private Limited. Also undertaking has been provided by Holding Company to IHG (India) Private Limited and IHG (Asia) Pacific Pte Ltd [Operator of Barque Hotels Private Limited] pursuant to the Operating services agreement entered by Barque Hotels Private Limited.

Following shares held by SAMHI Hotels Limited in subsidiaries have been pledged with bankers/financial institutions in respect to loans obtained by subsidiaries.

| Subsidiary | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Barque Hotels Private Limited | 38,375,079 | 38,375,079 |
| CASPIA Hotels Private Limited | 5,400,000 | 5,400,000 |
| Ascent Hotels Private Limited | 127,801,485 | 127,801,480 |
| SAMHI JV Business Hotels Private Limited | 124,779,999 | 124,780,000 |
| Argon Hotels Private Limited | 7,770,491 | 2,331,148 |

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*(All amounts are in Indian Rupees ('000), unless otherwise stated)*

## 40 Financial instruments – Fair values and risk management

### A) Financial instruments by category and fair value

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

| Particulars | As at 31 March 2023 | | | |
|---|---|---|---|---|
| | Level of hierarchy | Fair Value Through Profit and Loss (FVTPL) | Fair Value Through Other Comprehensive Income (FVTOCI) | Amortised Cost |
| **Financial assets** | | | | |
| Non-current loans | | - | - | 1,379.38 |
| Other non-current financial assets | | - | - | 116.77 |
| Current loans | | - | - | 0.26 |
| Trade receivables | | - | - | 295.89 |
| Cash and cash equivalents | | - | - | 603.97 |
| Bank balances other than cash and cash equivalents above | | - | - | 10.32 |
| Other current financial assets | | - | - | 28.38 |
| **Total financial assets** | | - | - | **2,434.97** |
| **Financial liabilities** | | | | |
| Non-current borrowings | 2 and 3 | - | - | 5,147.71 |
| Non-current lease liabilities | | - | - | 45.23 |
| Current borrowings | 2 and 3 | - | - | 4,110.14 |
| Current lease liabilities | | - | - | 16.40 |
| Current Trade payables | | - | - | 432.18 |
| Other Current financial liabilities | | - | - | 48.88 |
| **Total financial liabilities** | | - | - | **9,800.54** |

| Particulars | As at 31 March 2022 (Re-presented) | | | |
|---|---|---|---|---|
| | Level of hierarchy | Fair Value Through Profit and Loss (FVTPL) | Fair Value Through Other Comprehensive Income (FVTOCI) | Amortised Cost |
| **Financial assets** | | | | |
| Non-current Loans | | - | - | 1,006.93 |
| Other non-current financial assets | | - | - | 118.70 |
| Current loans | | - | - | 4.26 |
| Trade receivables | | - | - | 217.27 |
| Cash and cash equivalents | | - | - | 488.37 |
| Bank balances other than cash and cash equivalents above | | - | - | 1.76 |
| Other current financial assets | | - | - | 4.72 |
| **Total financial assets** | | - | - | **1,842.01** |
| **Financial liabilities** | | | | |
| Non-current borrowings | 2 and 3 | - | - | 7,754.36 |
| Non-current lease liabilities | | - | - | 8.86 |
| Other non-current financial liabilities | 3 | 1,584.70 | - | - |
| Current borrowings | 2 | - | - | 537.70 |
| Current lease liabilities | | - | - | 16.35 |
| Current Trade payables | | - | - | 270.13 |
| Other Current financial liabilities | | - | - | 792.26 |
| **Total financial liabilities** | | **1,584.70** | - | **9,379.66** |

The fair value of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, current borrowings, current trade payables and other current financial liabilities approximate their carrying amounts, due to their short-term nature.

Interest rates on non-current borrowings (borrowings from banks and financial institutions) are equivalent to the market rate. Such borrowings are at floating rates which are reset at short intervals. Accordingly, the carrying value of such borrowings approximates fair value.

Fair value of bank deposits (included in other non-current financial assets), Loan to Key Management Person, subsidiaries and employees (included in non-current loans) and interest bearing loan obtained from subsidiaries (included in non-current borrowings) are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

The fair value measurement of lease liabilities is not required to be disclosed.

Fair valuation of non-current financial assets and liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

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*(All amounts are in Indian Rupees ('000), unless otherwise stated)*

**Financial liabilities measured at fair value - recurring fair value measurements**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| **Financial liabilities** | | |
| **Non -current financial liabilities - Others** | | |
| Derivative component of Convertible-PIK (secured) (Level 3) | - | 1,584.70 |

**Financial liabilities measured at amortised cost- Fair value measurements**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| **Financial Liabilities** | | |
| **Non-current financial liabilities - Borrowings (Refer note 19)** | | |
| a) Fully Compulsory Convertible Debentures (FCCDs) (unsecured) (Level 3) | - | 1,599.66 |
| b)Interest free loan from subsidiary (Level 2) | 411.34 | 378.92 |
| c)Non convertible debentures (unsecured) (Level 2) | 718.08 | 1,417.38 |
| d)Optionally convertible debentures (unsecured) (Level 2) | - | 93.36 |
| **Current financial liabilities - Borrowings (Refer note 23)** | | |
| a)Non convertible debentures (unsecured) (Level 2) | 1,548.56 | - |
| b)Fully Compulsory Convertible Debentures (FCCDs) (unsecured) (Level 3) | 1,591.90 | - |

**B) Measurement of fair values**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

There are no transfer between Level 1, Level 2 and Level 3 during the Year.

**C) Valuation technique used to determine fair value**

Specific valuation technique used to value financial instruments include:

- the fair value for FCCDs were calculated based on monte carlo method of valuation of the instrument.

- the fair value of derivative component of convertible -PIK (secured) were calculated based on monte carlo method of valuation of the instrument.

- the fair value of Optionally convertible debentures, Non convertible debentures (unsecured) and interest free loan from subsidiary is determined by using discounted cash flow approach basis appropriate Discount rate.

**D) Details of significant unobservable inputs for measurement of fair values**

| Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value | | |
|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | Remarks |
| **1) Financial liabilities measured at amortised cost** | | | |
| **Financial liabilities** | | | |
| **a) Fully Compulsory Convertible Debentures (unsecured)** | | | |
| Business Value | 15,176.10 | 14,197.81 | The estimated fair value would increase (decrease) if the business value was higher (lower). |
| Risk Free rate | 7.38% | 5.40% | The estimated fair value would decrease (increase) if the risk free rate was higher (lower). |
| Volatility rate | 87.00% | 76.70% | The estimated fair value would increase (decrease) if the volatility rate was higher (lower). |
| Discount rate (for interest liability) | 16.80% | 18.70% | The estimated fair value would decrease (increase) if the risk free rate was higher (lower). |
| **b) Non Convertible Debentures (unsecured)** | | | |
| Discount rate | 17.00% | - | The estimated fair value would decrease (increase) if the discount rate was higher (lower). |
| **c) Interest free loan from subsidiary (unsecured)** | | | |
| Discount rate | 12.15% | 11.70% | The estimated fair value would decrease (increase) if the discount rate was higher (lower). |
| **2) Financial liabilities measured at fair value** | | | |
| **Financial liabilities** | | | |
| **Non-current financial liabilities - Others** | | | |
| **a)Derivative component of Convertible-PIK (secured)** | | | |
| Business Value | - | 14,197.81 | The estimated fair value would increase (decrease) if the business value was higher (lower). |
| Risk free rate | - | 4.61% | The estimated fair value would decrease (increase) if the risk free rate was higher (lower). |
| Volatility rate | - | 92.20% | The estimated fair value would increase (decrease) if the volatility rate was higher (lower). |

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*(All amounts are in Indian Rupees ('000), unless otherwise stated)*

**E. Sensitivity analysis of Level 3 fair values**

For the fair value of derivative component of convertible PIK, reasonably possible changes at the reporting date due to one of the significant unobservable inputs, holding other inputs constant, would have following effects:

**(i) SAMHI JV Business Hotels Private Limited ("subsidiary")**

| | Profit or (loss) / Equity, net of tax | |
|---|---|---|
| **31 March 2022 (Re-presented)** | **Increase** | **Decrease** |
| Business value (5% movement) | (40.10) | 40.00 |
| Risk free rate (1% movement) | 0.90 | (0.90) |
| Volatility rate (1% movement) | (0.70) | 0.70 |

**(ii) Barque Hotels Private Limited ("subsidiary")**

| | Profit or (loss) / Equity, net of tax | |
|---|---|---|
| **31 March 2022 (Re-presented)** | **Increase** | **Decrease** |
| Business value (5% movement) | (33.50) | 33.20 |
| Risk free rate (1% movement) | 0.70 | (0.80) |
| Volatility rate (1% movement) | (0.70) | 0.60 |

**F. Reconciliation of Level 3 fair values**

| **Derivative component of Convertible PIK (secured)** | **Amount** |
|---|---|
| Balance as at 31 March 2022 (Re-presented) | 1,584.70 |
| Net change in fair value | (1,584.70) |
| Balance as at 31 March 2023 | - |

**G. Financial risk management**

**Risk management framework**

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's Chief Financial Officer under the directions of the board of directors implements financial risk management policies across the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, to monitor risks and adherence to limits in order to minimize the financial impact of such risks. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**(i) . Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum credit risk exposure. The Company has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

To cater to the credit risk for balances with banks/financial institutions, only high rated banks/institutions are accepted.

The Company has given security deposits to Government departments and to vendors for securing services from them and rental deposits for employee accommodations. The Company has other receivable balances outstanding as at year end for cost reimbursement and loan balance from its subsidiaries/ KMP / employees. The Company does not expect any default from these parties and accordingly the risk of default is negligible or nil.

In respect of credit exposures from trade receivables, the Company has policies in place to ensure that sales on credit without collateral are made principally to travel agents and corporate companies with an appropriate credit history. Sales to other customers are made in cash or by credit /debit cards.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties, if any.

**Reconciliation of loss allowance provision**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 (Re-presented) |
|---|---|---|
| Opening balance | 3.25 | 3.09 |
| Provision made during the year | 7.85 | 0.16 |
| **Closing balance** | **11.10** | **3.25** |

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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**ii. Liquidity risk**

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

Ultimate responsibility for liquidity risk management rests with the Company's board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium term and long-term funding and liquidity management requirements.

**(a) Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted (except derivative financial liabilities) and excluding future contractual interest payments.

| | | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| **31 March 2023** | **Carrying amount** | **Total** | **0-1 year** | **1-2 years** | **2-5 years** | **More than 5 years** |
| **Non - derivative financial liabilities** | | | | | | |
| Non-current borrowings * | 5,147.71 | 5,791.95 | - | 2,104.24 | 1,465.79 | 2,221.92 |
| Lease liabilities | 61.63 | 71.62 | 19.49 | 20.85 | 31.28 | - |
| Current borrowings | 4,110.14 | 3,966.80 | 3,966.80 | - | - | - |
| Trade payables | 432.18 | 432.18 | 432.18 | - | - | - |
| Other current financial liabilities | 48.88 | 48.88 | 48.88 | - | - | - |
| | **9,800.54** | **10,311.43** | **4,467.35** | **2,125.09** | **1,497.07** | **2,221.92** |

| | | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| **31 March 2022 (Re-presented)** | **Carrying amount** | **Total** | **0-1 year** | **1-2 years** | **2-5 years** | **More than 5 years** |
| **Derivative financial liabilities** | | | | | | |
| Other non current financial liabilities # | 1,584.70 | 1,584.70 | - | - | 1,584.70 | - |
| | **1,584.70** | **1,584.70** | - | - | **1,584.70** | - |
| **Non-derivative financial liabilities** | | | | | | |
| Non-current borrowings * | 7,754.36 | 7,668.84 | - | 1,841.81 | 3,479.36 | 2,347.67 |
| Lease liabilities | 25.21 | 27.20 | 18.13 | 9.07 | - | - |
| Current borrowings | 537.70 | 537.70 | 537.70 | - | - | - |
| Trade payables | 270.13 | 270.13 | 270.13 | - | - | - |
| Other current financial liabilities | 792.26 | 792.26 | 792.26 | - | - | - |
| | **9,379.66** | **9,296.13** | **1,618.22** | **1,850.88** | **3,479.36** | **2,347.67** |

# During the year ended 31 March 2023, liability has been settled by issue of equity shares of the Company. Refer Note 21.

The details disclosed are after considering the impact of moratorium with reference to RBI circular DOR.No.BP.BC.47/21.04.048/2019-20 dated 27 March 2020 and DOR.No.BP.BC.71/21.04.048/2019-20 dated 23 May 2020 for the period 1 March 2020 to 31 August 2020.

* Carrying amount of Borrowings include FCCDs which comprises present value of IFC CCD conversion shares value and present value of interest accrued. There is no liquidity risk on present value of IFC CCD conversion shares value as these are convertible into equity shares. Accordingly, no cash outflow for the same is considered in the above disclosure of contractual cash outflows. Subsequent to 31 March 2023, the Company has issued notice and IFC has opted to receive interest at a later date i.e. on consummation of IPO. Further, as agreed between the Company and IFC, the interest liability will be paid out of the IPO proceeds. The Company expects to settle this by 30 September 2023.

Also, refer note 48 for disclosures on Going Concern assumption.

**(b) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| | **As at 31 March 2023** | **As at 31 March 2022 (Re-presented)** |
|---|---|---|
| **Floating rate** | | |
| Expiring within one year (bank overdraft and other facilities) | 50.00 | 45.19 |
| Expiring beyond one year (term loan from banks/financial institutions) | - | 550.00 |
| | **50.00** | **595.19** |

**iii. Market risk**

The Company is exposed to market risk primarily relating to the risk of changes in market prices, such as foreign exchange rates and interest rates, that will affect the Company's expense or the value of its holdings of financial instruments.

**Currency risk**

The Company's exposure to foreign currency risk is on account of payables for management fees and other expenditure in currencies other than the functional currency of the Company.

**Exposure to currency risk**

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

| | 31 March 2023 | | |
|---|---|---|---|
| **Financial liabilities** | **Currency** | **Amount in foreign currency (in millions)** | **Amount in INR** |
| Trade payables | USD | 1.99 | 163.30 |

| | 31 March 2022 (Re-presented) | | |
|---|---|---|---|
| **Financial liabilities** | **Currency** | **Amount in foreign currency (in millions)** | **Amount in INR** |
| Trade payables | USD | 1.43 | 108.56 |

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*(All amounts are in Indian Rupees ('000), unless otherwise stated)*

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at 31 March would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| | (Profit) / loss | | Equity, net of tax (increase) / decrease | |
|---|---|---|---|---|
| **Effect in INR** | **Strengthening** | **Weakening** | **Strengthening** | **Weakening** |
| **31 March 2023** | | | | |
| **1% movement** | | | | |
| USD | 1.63 | (1.63) | 1.63 | (1.63) |
| | **1.63** | **(1.63)** | **1.63** | **(1.63)** |

| | (Profit) / loss | | Equity, net of tax (increase) / decrease | |
|---|---|---|---|---|
| **Effect in INR** | **Strengthening** | **Weakening** | **Strengthening** | **Weakening** |
| **31 March 2022 (Re-presented)** | | | | |
| **1% movement** | | | | |
| USD | 1.09 | (1.09) | 1.09 | (1.09) |
| | **1.09** | **(1.09)** | **1.09** | **(1.09)** |

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

The company evaluates the interest rates in the market on a regular basis to explore the option of refinancing of the borrowings of the company. Moreover, the company's current borrowings are linked to floating interest rates, thereby resulting in the adjustments of its borrowing costs in line with the market interest.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

| | Nominal amount | |
|---|---|---|
| | **31 March 2023** | **31 March 2022 (Re-presented)** |
| **Fixed-rate instruments** | | |
| Financial assets - Loans to subsidiaries | 1,313.37 | 948.15 |
| Financial assets - Loans to key management person | 47.85 | 44.82 |
| Financial assets - Loans to employees | 15.00 | 10.81 |
| Financial assets - Bank deposits | 126.47 | 103.13 |
| Financial liabilities - Fully compulsory convertible debentures [FCCDs] | 1,639.96 | 1,880.84 |
| Financial liabilities - Non Convertible Debentures (unsecured) | 1,832.19 | 1,417.38 |
| Financial liabilities - 25% Optional Convertible Debentures (unsecured) | - | 81.81 |
| Financial liabilities - 18% Optional Convertible Debentures (unsecured) | - | 11.55 |
| Financial liabilities - Vehicle loans | 8.81 | 3.95 |
| Financial liabilities - Loan from subsidiaries | 1,460.09 | 1,452.55 |
| | **6,443.74** | **5,954.99** |
| **Variable-rate instruments** | | |
| Financial liabilities - Overdraft facility from bank | - | 4.81 |
| Financial liabilities - Term loan from bank | 3,024.41 | 3,239.17 |
| Financial liabilities - Term loan from financial institutions | 1,316.49 | 200.07 |
| | **4,340.90** | **3,444.05** |

**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. Refer note 40A for fair value disclosures

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

| | (Profit) / loss | | Equity, net of tax (increase) / decrease | |
|---|---|---|---|---|
| | **100 bp increase** | **100 bp decrease** | **100 bp increase** | **100 bp decrease** |
| **31 March 2023** | | | | |
| Variable-rate instruments | 39.92 | (39.92) | 39.92 | (39.92) |
| **Cash flow sensitivity (net)** | **39.92** | **(39.92)** | **39.92** | **(39.92)** |
| | | | | |
| **31 March 2022 (Re-presented)** | | | | |
| Variable-rate instruments | 34.28 | (34.28) | 34.28 | (34.28) |
| **Cash flow sensitivity (net)** | **34.28** | **(34.28)** | **34.28** | **(34.28)** |

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## 41 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors of the Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Company monitors capital using loan to value (LTV) method to ensure that the loan to value does not increase beyond 65% on any given reporting date at company level.

The Company is not subject to externally imposed capital requirements.

As a part of its capital management policy, the Company did not have any continuing defaults in the repayment of loans and interest. There have been no material loan covenant defaults and there has been no intimation from the banks/ financial institutions for recalling any loan facility. The Company has sought and received waiver letters from all its lenders as at and for the year ended 31 March 2023.

## 42 Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international and domestic transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

## 43 Disclosure as per Ind AS 27 - Separate Financial Statements

| Name of subsidiaries | Principal activity | Principal place of business | Ownership interest | |
|---|---|---|---|---|
| | | | 31 March 2023 | 31 March 2022 |
| SAMHI JV Business Hotels Private Limited | Hotels | India | 100% | 100% |
| SAMHI Hotels (Gurgaon) Private Limited | Hotels | India | 100% | 100% |
| SAMHI Hotels (Ahmedabad) Private Limited | Hotels | India | 100% | 100% |
| Barque Hotels Private Limited | Hotels | India | 100% | 100% |
| CASPIA Hotels Private Limited | Hotels | India | 100% | 100% |
| Ascent Hotels Private Limited | Hotels | India | 100% | 100% |
| Argon Hotels Private Limited | Hotels | India | 100% | 100% |

The above investment in subsidiaries are measured at cost.

## 44 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| **Dues to micro and small suppliers** | | |
| The amounts remaining unpaid to any supplier as at the end of the year: | | |
| Principal amount | 10.48 | 4.30 |
| Interest there on | 0.50 | 0.35 |
| The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) | - | - |
| The amount of payments made to Micro and Small Suppliers beyond the appointed day during each accounting year | 36.52 | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006. | 2.84 | 0.15 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 3.34 | 0.50 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | - | - |

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 and 31 March 2022 has been made in the financial statements based on information received and available with the Company.

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**45 Share-based payments (Equity settled)**

**Employee Stock Option Plan 2016**

On 10 November 2016, the Board of Directors of the Company approved 'Employee Stock Option Plan 2016' ("the Plan") that entitles senior employees to purchase shares in the Company. These options provide the holders of such vested options, the opportunity to acquire equity shares in the Company in the future at the exercise price mentioned in the option certificate. All options are to be settled by equivalent number of equity shares of INR 1 each as per the terms of the scheme. The key terms and conditions related to the grants under this plan are as follows:

| Grant date/employees entitled | Number of instruments | Exercise Price (INR) | Vesting period # |
|---|---|---|---|
| **Scheme 1:**<br>Options granted to senior employees on 21 November 2016 | | | |
| Tranche I | 1,099,020 | 130.00 | - 60% by Grant date<br>- 40% by 31 December 2016 |
| Tranche 1 | 539,470 | 130.00 | - 30% by Grant date<br>- 30% by 31 December 2016<br>- 40% by 31 December 2017 |
| Tranche 2 | 275,790 | 115.40 | - 30% by Grant date<br>- 30% by 26 November 2017<br>- 40% by 26 November 2018 |
| Tranche 3 | 124,400 | 191.90 | - 10% by Grant date<br>- 20% by 22 September 2017<br>- 30% by 22 September 2018<br>- 40% by 22 September 2019 |
| **Scheme 2:** | | | |
| Options granted to senior employees on 21 March 2017 | 560,000 | 224.80 | - 30% by 20 March 2018<br>- 30% by 20 March 2019<br>- 40% by 20 March 2020 |

# As per the terms of the scheme, if a liquidity event occurs before the vesting period specified above, options shall vest in full upon the occurrence of the liquidity event. However, if the liquidity event occurs prior to the first anniversary of the grant date of an option, such option shall not be capable of vesting and shall lapse on the date of such liquidity event. In such a situation, the Compensation Committee shall determine how to compensate employees in respect of options that would otherwise have vested at the time of that liquidity event in accordance with the Plan.

**Exercise period:**

(a) in the event of liquidity event, such reasonable period as determined by the compensation committee
(b) in the event of an early exercise opportunity, within a reasonable period prior to the anticipated date of completion of any proposed sale by a selling shareholder.

**Number options granted, exercised and forfeited during the year:**

| | For the year ended 31 March 2023 | | For the year ended 31 March 2022 (Re-presented) | |
|---|---|---|---|---|
| | Number of options | Weighted Average Exercise Price (INR) | Number of options | Weighted Average Exercise Price (INR) |
| Options outstanding at beginning of year | 2,472,300 | 148.26 | 2,472,300 | 148.26 |
| Options granted during the year | - | - | - | - |
| Options exercised during the year | - | - | - | - |
| Options forfeited during the year | - | - | - | - |
| Options lapsed during the year | (2,472,300) | - | - | - |
| Options expired during the year | - | - | - | - |
| Options outstanding at the end of year | - | - | 2,472,300 | 148.26 |
| Options exercisable at the end of year | - | - | 2,472,300 | 148.26 |

**Measurement of fair values**

The fair value at grant date is determined using the Binomial option pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The binomial model is based on the description of an underlying instrument over a period of time rather than a single point. It breaks down the time to expiration into potentially a very large number of time intervals, or steps. A tree of stock prices is initially produced working forward from the present to expiration. At each step it is assumed that the stock price will move up or down by an amount calculated using volatility and time to expiration. This produces a binomial distribution, of underlying stock prices. The tree represents all the possible paths that the stock price could take during the life of the option.

The option prices at each step of the tree are calculated working back from expiration to the present. The option prices at each step are used to derive the option prices at the next step of the tree using risk neutral valuation based on the probabilities of the stock prices moving up or down, the risk free rate and the time interval of each step.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

| | Scheme 1 | | | Scheme 2 |
|---|---|---|---|---|
| | Tranche 1 | Tranche 2 | Tranche 3 | |
| Weighted average fair value of the options at the grant dates (INR) | 34.90 | 40.60 | 18.20 | 13.70 |
| Share price at grant date (INR) | 121.00 | 121.00 | 121.00 | 128.80 |
| Exercise price (INR) | 130.00 | 115.40 | 191.90 | 224.80 |
| Expected volatility (weighted average volatility) | 35.89% | 35.89% | 35.89% | 35.89% |
| Expected dividend | 0.00% | 0.00% | 0.00% | 0.00% |
| Risk-free interest rate (based on government bonds) | 6.22% | 6.22% | 6.22% | 6.82% |

The risk free interest rates are determined based on the current yield to maturity of Government Bonds with 10 years residual maturity. Expected volatility has been based on an evaluation of the historical volatility of listed closest peer companies after making suitable adjustment on account of lack of marketability and size, particularly over the historical period commensurate with the expected term. The expected life may not necessarily be indicative of the exercise patterns that may occur. Dividend yield has been calculated taking into account the expected rate of dividend on equity share price as on the grant date.

During the year ended 31 March 2022, the Board of Directors of the Company have approved that there would be no further grant of options under the Plan.

During the year ended 31 March 2023, the Board of Directors of the Company have withdrawn the 'Employee Stock Option Plan 2016 on account of non achievement of certain market conditions.

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**Employee Stock Option Plan 2023**

On 9 March 2023, the board of directors of the Company approved 'Employee Stock Option Plan 2023' ("the Plan") that entitles senior employees to purchase shares in the Company. These options provide the holders of such vested options, the opportunity to acquire equity shares in the Company in the future at the exercise price mentioned in the option certificate. All options are to be settled by equivalent number of equity shares of Rs. 1 each as per the terms of the scheme. The key terms and conditions related to the grants under this plan are as follows:

| Grant date/employees entitled | Number of instruments | Exercise Price (INR) | Vesting period # | Contractual life of options (years) |
|---|---|---|---|---|
| Tranche 1 | 2,017,310 | 1.0 | - 100% by 11 March 2024 | 3.95 |
| Tranche 2 | 1,153,517 | 1.0 | - 100% by 11 March 2025 - 100% achievement of performance condition<br>- 75% by 11 March 2025 - 80%- 99% achievement of performance condition<br>- 0% by 11 March 2025 - < 80% achievement of performance condition | 4.95 |
| Tranche 3 | 1,153,517 | 1.0 | - 100% by 11 March 2026 - 100% achievement of performance condition<br>- 75% by 11 March 2026 - 80%- 99% achievement of performance condition<br>- 0% by 11 March 2026 - < 80% achievement of performance condition | 5.95 |
| Tranche 4 | 1,153,516 | 1.0 | - 100% by 11 March 2027 - 100% achievement of performance condition<br>- 75% by 11 March 2027 - 80%- 99% achievement of performance condition<br>- 0% by 11 March 2027 - < 80% achievement of performance condition | 6.95 |

# As per the terms of the scheme, grant date for the options granted under Tranche 2 to 4 would be achieved once the performance targets (revenue and EBITDA) are announced by the Nomination and Remuneration Committee.

**Exercise period:**
The exercise period shall be within 3 (three) years from the respective vesting period.

**Number options granted, exercised and forfeited during the year:**

| | For the year ended 31 March, 2023 | |
|---|---|---|
| | Number of options | Weighted Average Exercise Price (INR) |
| Options outstanding at beginning of year | - | - |
| Options granted during the year | 5,477,860 | 1.00 |
| Options exercised during the year | - | - |
| Options forfeited during the year | - | - |
| Options lapsed during the year | - | - |
| Options expired during the year | - | - |
| Options outstanding at the end of year | 5,477,860 | 1.000 |
| Options exercisable at the end of year | - | - |

Weighted average remaining contractual life of outstanding option is 5.26 years.

**Measurement of fair values**

The fair value at grant date is determined using the Black Scholes Option Pricing Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

| | Scheme 1 | | | |
|---|---|---|---|---|
| | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 |
| Weighted average fair value of the options at the grant dates (INR) | 145.54 | 145.61 | 145.68 | 145.76 |
| Share price at grant date (INR) | 146.37 | 146.37 | 146.37 | 146.37 |
| Exercise price (INR) | 1.0 | 1.0 | 1.0 | 1.0 |
| Expected volatility (weighted average volatility) | Equity Volatility: 71.60% | Revenue Volatility: 24.22%<br>EBITDA Volatility: 55.23%<br>Equity Volatility: 71.60% | Revenue Volatility: 24.22%<br>EBITDA Volatility: 55.23%<br>Equity Volatility: 71.60% | Revenue Volatility: 24.22%<br>EBITDA Volatility: 55.23%<br>Equity Volatility: 71.60% |
| Expected life (in years) | 2.5 | 3.5 | 4.5 | 5.5 |
| Expected dividend | Nil | Nil | Nil | Nil |
| Risk-free interest rate (based on government bonds) | 7.31% | 7.37% | 7.39% | 7.42% |

The risk-free interest rates are determined based on the current yield to maturity of Government Bonds for the period of expected term for each tranche vesting. Expected volatility has been based on an evaluation of the historical volatility of listed closest peer companies for the historical period commensurate with the expected term. The expected life for each tranche vesting has been considered based on the average vesting term and contractual life (3 years from the date of vesting). The expected life may not necessarily be indicative of the exercise patterns that may occur. Dividend yield considered as Nil as the Management do not plan to issue dividends in foreseeable future.

In accordance with the above mentioned Scheme, 31 March 2023: INR 26.06; 31 March 2022: INR Nil has been charged to the Statement of Profit and Loss.

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### 46 Lease disclosures

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities:

| Particulars | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| 0-1 year | 19.49 | 18.13 |
| 1-2 years | 20.85 | 9.07 |
| 2-5 years | 31.28 | - |
| More than 5 years | - | - |
| **Total Lease payments** | **71.62** | **27.20** |

The reconciliation of lease liabilities is as follows:

| Particulars | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Opening balance | 25.21 | 40.01 |
| Additions | 52.78 | - |
| Amounts recognized in statement of profit and loss as interest expense | 1.78 | 3.33 |
| Payment of lease liabilities (including interest) | (18.13) | (18.13) |
| **Closing Balance (Refer Note 20 and 24)** | **61.63** | **25.21** |

| Particulars | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Non current lease liabilities | 45.23 | 8.86 |
| Current lease liabilities | 16.40 | 16.35 |

The lease entered by the Company are long term in nature and the underlying leased property is being used as office.

### 47 New standards and interpretations, not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2023, as below:

**Ind AS 1 - Presentation of Financial Statements:** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:** This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 - Income Taxes:** This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

### 48 Going concern

The Company has incurred a net loss of INR 656.36 million during the year ended 31 March 2023, and as of that date, the Company current liabilities exceeded its current assets by INR 3,614.48 million. As on 31 March 2023, the Company has been largely funded by loans from banks / financial institutions. Further, the Company has contractual cash outflows of INR 4,467.35 million (excluding future contractual interest payments) due within 12 months of the balance sheet date.

In the current year, consequent to reduction in the number of COVID-19 cases and easing of all travel restrictions, the Company and its subsidiaries (herein collectively referred as the 'SAMHI Group') have witnessed a strong recovery. Starting from Q1 FY 2022-23, the Company has witnessed improved business performance in terms of Average Room Revenue (ARR) and Occupancy levels. ARR and Average Occupancy levels in FY 2022-23 and Q1 FY 2023-24 have reached INR 4,546 & 71% and INR 5,140 & 75% respectively. Similar improvement in ARR and Occupancy levels is also witnessed in the business performance of subsidiaries in the Group. The Company and its subsidiaries have projected significant increase in its cash flow from operations during the years ending 31 March 2024 and 31 March 2025. The Company has a cash and bank balance of INR 621.23 million (excluding restricted bank deposits) and undrawn credit facilities of INR 50 million as on 31 March 2023.

Subsequent to the year-end, SAMHI Hotels Limited has acquired 100% of the securities held by ACIC Mauritius 1 and ACIC Mauritius 2 ('Sellers') in Duet India Hotels (Jaipur) Private Limited, Duet India Hotels (Pune) Private Limited, Duet India Hotels (Ahmedabad) Private Limited, Duet India Hotels (Hyderabad) Private Limited, Duet India Hotels (Chennai) Private Limited, Duet India Hotels (Bangalore) Private Limited, Duet India Hotels (Chennai OMR) Private Limited, ACIC Advisory Private Limited and Duet India Hotels (Navi Mumbai) Private Limited (herein collectively referred as the 'ACIC Portfolio') as part of a shares swap transaction, wherein as consideration the Company has issued and alloted 37,462,680 equity shares to the Sellers. This acquisition will further enhance the SAMHI Group's projected cash flow from operations during the years ending 31 March 2024 and 31 March 2025. ACIC Portfolio has a low Borrowings to Gross Assets Value ratio of 27%, which will also enable the Company to refinance its borrowings and obtain additional borrowings to meet its current obligations as and when they fall due.

Based on the expected future cash flows, the Company has projected a net cash outflow of INR 1,488.32 million in the next 12 months of the balance sheet date. These projections include contractual cash outflows of non-convertible debentures amounting to INR 1,708.00 million payable to an affiliate entity of one of the existing shareholder's which are due for payment within 12 months of the balance sheet date. The redemption date of these non-convertible debentures can be extended by 12 months with the consent of all the debenture holders.

The Board of Directors of the Company have approved fund raise plan of upto INR 12,000.00 million through Initial Public Offering ("IPO") of equity shares of the Company. The Company has filed its Draft Red Herring Prospectus (DRHP) with Securities Exchange Board of India (SEBI) and is awaiting observations. Once these observations are received, the Company will proceed to file an Updated DRHP with SEBI and Prospectus with Registrar of Companies.

Accordingly, the Company expects to fund the net cash outflow position from the potential proceeds of IPO, refinancing its existing borrowings, obtaining additional borrowings post the ACIC acquisition and the management's plan to monetise few of its hotel properties held in subsidiaries, if required, to provide the Company with the desired liquidity to meet its contractual obligations and liabilities as and when they fall due in the near future.

In view of the above, the Management and Board of Directors of the Company have prepared these standalone financial statements on a going concern basis.

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**49 Ratios as required by Schedule III to the Companies Act, 2013:**

| Ratio | in times/% | Numerator | Denominator | 31 March 2023 | 31 March 2022 (Re-presented) | Increase/ decrease % |
|---|---|---|---|---|---|---|
| Current Ratio | in times | Total Current Assets | Total Current Liabilities | 0.24 | 0.41 | -42% |
| Debt-Equity Ratio | in times | Total Borrowings | Total Equity | 1.13 | 1.16 | -3% |
| Debt Service Coverage Ratio | in times | Earnings before finance costs, depreciation, amortisation, tax and exceptional items | Debt service : Finance costs paid + Principal Repayments of long term borrowings | 0.42 | 0.04 | 893% |
| Return on Equity Ratio | in % | Loss after tax | Average Total Equity | -8.56% | -10.77% | -21% |
| Inventory turnover ratio * | in times | NA | NA | NA | NA | NA |
| Trade Receivables turnover ratio | in times | Revenue from operations | Average Trade Receivables | 4.00 | 4.48 | -11% |
| Trade payables turnover ratio | in times | Cost of materials consumed + Other expenses | Average Trade Payables | 1.25 | 1.64 | -24% |
| Net capital turnover ratio | in times | Revenue from operations | Average Working capital : Current assets - Current liabilities | (0.44) | (0.82) | -47% |
| Net profit ratio | in % | Net Profit/(loss) | Total sales | -64% | -119% | -46% |
| Return on Capital employed | in % | Profit/ (loss) before interest and taxes | Capital Employed : Tangible Net Worth + Total Borrowings | 1.83% | -0.01% | -20533% |
| Return on investment # | in % | NA | NA | NA | NA | 0% |

**Explanations to variance in Ratios:**

| | |
|---|---|
| Current Ratio | Current ratio has decreased due to increase in current borrowings and trade payables. |
| Debt Service Coverage Ratio | Ratio has improved due to increase in earnings before finance cost, depreciation, amortisation, tax and exceptional items |
| Net capital turnover ratio | Improved due to improvement in business activity during the year |
| Net profit ratio | Improved due to improvement in business activity during the year |
| Return on Capital employed | Improved return is due to decrease in loss before interest and taxes during the current year on account of increase in business activity during the year |

The Company has not presented the following ratios due to the reasons given below:

* **Inventory turnover ratio**: Since the Company holds inventory for consumption in the service of food and beverages and the proportion of such inventory is insignificant to Total Assets.
\# **Return on investments**: Since the Company holds surplus funds which are temporary in nature to ensure adequate liquidity during the year.

**50 Other statutory information**

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment except for loans granted as disclosed below :

| | Current period | | Previous period | |
|---|---|---|---|---|
| **Type of borrower** | **Amount Outstanding (Nominal amount)** | **% of Total** | **Amount Outstanding (Nominal amount)** | **% of Total** |
| Promotors | - | - | - | - |
| Directors | - | - | - | - |
| KMPs | - | - | - | - |
| Related Parties | 6,336.48 | 100% | 7,166.48 | 100% |
| **Total** | **6,336.48** | **100%** | **7,166.48** | **100%** |

The above loans have been disclosed as deemed investment in susbsidiaries in these standalone financial statements.

(ix) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

(x) The Company has not been declared a willful defaulter by any bank or other lender (as defined under the Companies Act, 2013), in accordance with the guidelines on willful defaulters.

(xi) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial years.

(xiii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during current or previous year.

(xiv) The Company is not required to submit quarterly returns or statements with banks during the current or previous year.

SAMHI Hotels Limited
CIN U55101DL2010PLC211816
Notes to the standalone financial statements for the year ended 31 March 2023
*(All amounts in Rupees millions, unless otherwise stated)*

51 As per the MCA Notification dated August 06, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Company is required to maintain a backup of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Company is required to create backup of accounts on servers physically located in India on a daily basis.

The books of account along with other relevant records and papers of the Company is maintained in electronic mode, across all hotels. These are readily accessible in India at all times and currently a backup is maintained on a cloud based / physical server. Such servers are located in India, with the exception of certain softwares/ applications, for which the servers are located overseas. The Company is in the process of complying with these requirement pursuant to the amendment.

**52 List of immovable properties not held in the name of the Company**

**As at 31 March 2023**

| Relevant line item in the Balance Sheet | Description of property | Gross carrying value (INR in millions) | Whether title deed holder is a promoter,director or relative of promoter/director or employee of promoter/director | Held in the name of | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|
| Property, plant and equipment - Freehold Land | 4th Block, Municipal No.1/2, 59th 'C' Cross, 4th 'M' Block, Rajajinagar, Bangalore. | 548.00 | No | SAMHI Hotels Private Limited | April 2012 | The sale deed of land is in the name of SAMHI Hotels Private Limited which was changed to SAMHI Hotels Limited. Fresh certificate of incorporation consequent to change of name dated 16 August 2019 was issued by the Registrar of Companies, Delhi. |
| Property, plant and equipment - Freehold Land | S.Nos. 153/5, 153/6, 153/7 and 153/8, Mambakkam Village, Sriperumbudur Taluk, Kanchipuram district, Chennai | 235.11 | No | SAMHI Hotels Private Limited | November 2011 | The sale deed of land is in the name of SAMHI Hotels Private Limited which was changed to SAMHI Hotels Limited. Fresh certificate of incorporation consequent to change of name dated 16 August 2019 was issued by the Registrar of Companies, Delhi. |
| Right of Use (Land) | District Centre, Crossing, Outer Ring Rd, opposite Galaxy Toyota, Haiderpur, Shalimar Bagh, New Delhi 110088 | 322.12 | No | Premier Inn India Private Limited | February 2011 | The lease deed is in the name of Premier Inn India Private Limited, erstwhile name of the Company which was changed to Argon Hotels Private Limited. Fresh certificate of incorporation consequent to change of name dated September 6, 2017 was issued by the Registrar of Companies, Delhi. During the year ended 31 March 2023, the said leasehold land has been transferred to the Company from Argon Hotels Private Limited (Subsidiary company). |

**As at 31 March 2022**

| Relevant line item in the Balance Sheet | Description of property | Gross carrying value (INR in millions) | Whether title deed holder is a promoter,director,director or relative if promoter/director or employee of promoter/director | Held in the name of | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|
| Property, plant and equipment - Freehold Land | 4th Block, Municipal No.1/2, 59th 'C' Cross, 4th 'M' Block, Rajajinagar, Bangalore. | 548.00 | No | SAMHI Hotels Private Limited | April 2012 | The sale deed of land is in the name of SAMHI Hotels Private Limited which was changed to SAMHI Hotels Limited. Fresh certificate of incorporation consequent to change of name dated 16 August 2019 was issued by the Registrar of Companies, Delhi. |
| Property, plant and equipment - Freehold Land | S.Nos. 153/5, 153/6, 153/7 and 153/8, Mambakkam Village, Sriperumbudur Taluk, Kanchipuram district, Chennai | 235.11 | No | SAMHI Hotels Private Limited | November 2011 | The sale deed of land is in the name of SAMHI Hotels Private Limited which was changed to SAMHI Hotels Limited. Fresh certificate of incorporation consequent to change of name dated 16 August 2019 was issued by the Registrar of Companies, Delhi. |

The original title deeds of all immovable properties are under lien with bank for the loan facilities availed by the Company.

SAMHI HOTELS LIMITED

S R & Co LLP Gurugram

*(All amounts in Rupees millions, unless otherwise stated)*

53 The Company has foreign currency payables of INR 36.69 million towards management & license fee and incentives etc. which are outstanding for more than three years as on 31 March 2023. As per Foreign Exchange Management Act, 1999 and the applicable rules/regulations, in case of any foreign currency dues which are not remitted within a period of three years, approval from Reserve Bank of India (RBI) is required. In view of the management, the Company was unable to clear these dues within the time stipulated under law due to financial difficulties encountered by the Hotel Industry on account of COVID-19. Subsequent to March 2022, the Hotel Industry has witnessed significant improvement in its cash flows and the Company has settled some of these dues and intends to settle the balance dues in the near future. Based on legal advice obtained, the Company is of the view that it will be in a position to get the necessary approvals from RBI/ Authorised Dealer (AD) banker, if any, and will not result in imposition of any penalty which will be material to these financial statements.

**54 Business Combination under common control**

The Company has as a part of its management decision acquired "CASPIA Delhi, Shalimar bagh" from its subsidiary "Argon Hotels Private Limited" on 28 March 2023 for a purchase consideration of INR 750. As the transaction is a business combination under common control, the acquisition has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives have been re-presented for amalgamation with effect from 01 April 2021. All assets and liabilities including the reserves of the subsidiary company have been presented in these consolidated financial statements from the opening date of the preceding financial year i.e. 1 April 2021 as summarized below:

| | As at 1 April 2021 |
|---|---|
| **Non-Current Assets** | |
| Property, plant and equipment | 531.94 |
| Other intangible assets | 1.10 |
| Other financial assets | 0.93 |
| **Current assets** | |
| Inventories | 1.02 |
| Trade receivables | 3.13 |
| Cash and cash equivalents | 1.42 |
| Other financial assets | 0.61 |
| Other current assets | 8.73 |
| **Non-current liabilities** | |
| Provisions | (1.76) |
| **Current liabilities** | |
| Trade payables | |
| - total outstanding dues of micro enterprises and small enterprises; and | - |
| - total outstanding dues of creditors other than micro enterprises and small enterpr | (28.08) |
| Other financial liabilities | (0.34) |
| Other current liabilities | (0.66) |
| Provisions | (1.20) |
| **Nat assets acquired / (liabilities) assumed (A)** | **516.84** |
| **Purchase consideration transferred (B)** | 750.00 |
| **Excess transferred to other equity C = (A) - (B)** | **(233.16)** |

The excess of purchase consideration paid over the net assets acquired is adjusted as 'Amalgamation adjustment deficit account' in Other Equity as at 1 April 2021 in these standalone financial statements. The purchase consideration is adjusted against the loan balance recoverable (disclosed as deemed investment in the standalone financial statements) by the Company from Argon Hotels Private Limited.

Statement of Proft and loss for the year ended 31 March 2022 and 31 March 2023 includes income and expenses of "CASPIA Delhi, Shalimar bagh" i.e asset acquired during the y

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Income** | | |
| Revenue from operations | 119.19 | 71.32 |
| Other income | 0.10 | - |
| **Total income** | **119.29** | **71.32** |
| **Expenses** | | |
| Cost of materials consumed | 10.22 | 5.90 |
| Employee benefits expense | 31.17 | 21.38 |
| Other expenses | 67.81 | 48.31 |
| **Total expenses** | **109.20** | **75.59** |
| **Earnings/ (loss) before finance cost, depreciation and amortisation, exceptional items and tax** | **10.09** | **(4.27)** |
| Finance costs | 0.07 | 0.06 |
| Depreciation and amortisation expense | 11.09 | 11.21 |
| | **11.15** | **11.27** |
| **Profit/ (loss) before tax and exceptional items** | **(1.07)** | **(15.54)** |
| Exceptional items | - | - |
| **Profit / (loss) before tax** | **(1.07)** | **(15.54)** |

SAMHI HOTELS LIMITED

S.R. B Gurugram

*(All amounts in Rupees millions, unless otherwise stated)*

**55 Impairment of assets**

***a) Impairment testing for cash-generating units***

In accordance with Ind AS 36 "Impairment of Assets", the Company had identified individual hotels (consisting of property, plant and equipment and intangible assets) as a separate cash generating unit for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a comparison between carrying value of assets in books and the recoverable value. Recoverable value is considered as higher of fair value less costs of disposal and value in use.

Recoverable amount is value in use of the hotel and is based on discounted cash flow method which was classified as a level 3 fair value in the fair value hierarchy due to the inclusion of one or more unobservable inputs. There has been no change in the valuation technique as compared to previous years.

Based on the results of impairment testing performed as at 31 March 2020, the written down value of Property, Plant and Equipments, Right of Use Assets and Other Intangible Assets of certain hotels was reduced to recoverable values as mentioned below.

| Asset | Carrying value | Recoverable value | Impairment loss |
|---|---|---|---|
| Fairfield by Marriott - Bangalore, City Center | 1,122.00 | 1,038.58 | 83.42 |
| Caspia - Delhi, Shalimar Bagh | 607.25 | 543.82 | 63.43 |
| | **1,729.25** | **1,582.40** | **146.85** |

In view of the management, the primary reasons for recognition of impairment loss in respect to the aforementioned hotel properties were high carrying value of property, plant and equipment due to fair value of land recorded in books as deemed cost in prior years and certain operational issues at the hotel.

***b) Impairment testing for investments in subsidiaries***

The Company has long term investments in subsidiaries which are measured at cost less impairment. The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the 'value-in-use' estimates determined using discounted cash flow projections (level 3). The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as occupancy, average room revenue, exit multiple etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money.

In earlier years, the Company has recognised the following provision for impairment in books:

| Subsidiary | Impairment loss |
|---|---|
| SAMHI Hotels (Gurgaon) Private Limited | 298.04 |
| Barque Hotels Private Limited | 1,241.02 |
| SAMHI Hotels (Ahmedabad) Private Limited | 990.74 |
| CASPIA Hotels Private Limited | 1,249.57 |
| Ascent Hotels Private Limited | 370.05 |
| Argon Hotels Private Limited | 20.00 |
| | **4,169.42** |

During the current year, based on the impairment analysis carried out by the management for its hotel properties (cash generating units) and investments, no further impairment loss is

The key assumptions used in the estimation of the recoverable amount are set out below.

**Assumptions**

| | As at 31 March 2023 | As at 31 March 2022 (Re-presented) |
|---|---|---|
| Discount rate Pre tax / Post Tax | 12.34% / 12.15% | 12.22% / 11.70% |
| Average Room Revenue (ARR) growth rate | 7% to 9% | 8% to 9% |
| Terminal Value multiple | 14 times | 14 times |
| Occupancy rate | 69% - 89% | 70% - 89% |

Based on the impairment testing performed, the management believes that any reasonably possible change in the key assumptions would not cause the recoverable amount to be lower than carrying amount of the CGU.

**56 Events occurring after the Balance sheet date:**

Subsequent to the year-end, the following events have occurred:

(i) SAMHI Hotels Limited ("the Holding Company") has acquired 100% of the securities held by ACIC Mauritius 1 and ACIC Mauritius 2 ('Sellers') in Duet India Hotels (Jaipur) Private Limited, Duet India Hotels (Pune) Private Limited, Duet India Hotels (Ahmedabad) Private Limited, Duet India Hotels (Hyderabad) Private Limited, Duet India Hotels (Chennai) Private Limited, Duet India Hotels (Bangalore) Private Limited, Duet India Hotels (Chennai OMR) Private Limited, ACIC Advisory Private Limited and Duet India Hotels (Navi Mumbai) Private Limited (herein collectively referred as the 'ACIC Portfolio') as part of a swap transaction, wherein as consideration the Holding Company has issued and allotted 37,462,680 equity shares to the Sellers.

(ii) The Company has issued notice for redemption / conversion of IFC Fully compulsory convertible debentures (FCCDs) and IFC has opted to receive the outstanding interest liability at a later date i.e. on consummation of IPO by the Company. Further, as agreed between the Company and IFC, the interest liability outstanding in books will be paid out of the IPO proceeds. The company expects to settle this by 30 September 2023.

The notes from Note 1 to Note 56 form an integral part of these financial statements.

As per our report of even date attached

*For* **B S R & Co. LLP**
*Chartered Accountants*
ICAI Firm Registration No.: 101248W/W-100022

Rahul Nayar

**Rahul Nayar**
*Partner*
Membership No.: 508605

Place: Gurugram
Date: 17 August 2023

*For* and on behalf of Board of Directors of
**SAMHI Hotels Limited**

**Ashish Jakhanwala**
*Chairman, Managing Director and CEO*
DIN:03304345

Place: Gurugram
Date: 17 August 2023

**Rajat Mehra**
*Chief Financial Officer*

Place: Gurugram
Date: 17 August 2023

**Sanjay Jain**
*Company Secretary*
Membership No.: F6137

Place: Gurugram
Date: 17 August 2023