

BSR & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor,
Tower-C, DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITORS' REPORT

To the Members of SAMHI Hotels Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SAMHI Hotels Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 2021, and loss and other comprehensive income, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 54 in the standalone financial statements, which indicates that the Company incurred a net loss of INR 558,283 thousand during the year ended 31 March 2021 and, as of that date, the Company's current liabilities exceeded its current assets by INR 608,754 thousand. The Company has been largely funded by loans from banks/ financial institutions and there are significant repayments due of INR 1,083,017 (including interest accrued and due) within 12 months of the balance sheet date. As stated therein, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent inter alia on funding arrangements with its subsidiary, approval of application to lenders under Emergency Credit Line Guarantee Scheme and the ability to generate profits from operations which are subject to COVID- 19 related material uncertainties.

BSR & Co. LLP

Subsequent to the balance sheet date, till the date of signing of these standalone financial statements, the Company has met substantial portion of its short term obligation aggregating to INR 1,032,827 that were due within 12 months based on funding arrangements concluded at the subsidiary. Further it has made application to lender under Emergency Credit Line Guarantee Scheme which is pending approval. Management is confident that defaults, if any, in compliance with loan covenants in other group entities will not have any adverse impact on the Company. Further, the business performance has shown improvement. In view of the above, the management and the Board of Directors believe that the Company will be able to meet all its contractual obligations and liabilities as and when they fall due and accordingly, these standalone financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

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 annual report, but does not include the standalone financial statements and our auditors' 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 Responsibility 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 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 standalone 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 in the standalone financial statements 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 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.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) The matter described in the 'Material Uncertainty Related to Going Concern' paragraph above, 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls with reference to standalone 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have

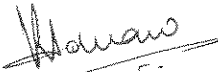
BSR & Co. LLP

not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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) which are required to be commented upon by us

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




Vikram Advani
Partner

Membership No.: 091765 ICAI
UDIN:22091765ACAFVX3140

Place: Gurugram
Date: 14 February 2022

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements of SAMHI Hotels Limited

1. (a) According to the information and explanations given to us, the Company has maintained proper records of fixed assets showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified in the current year. As informed to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with bank for the loan facility availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations from the bank.
 2. The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
 3. According to the information and explanation given to us, the Company has granted unsecured loans to six subsidiary companies and one other party covered in the register required under section 189 of the Companies Act, 2013. With respect to these unsecured loans:
 - a) unsecured loans granted to five subsidiary companies are interest free and repayable at the option of the borrower. Out of these five subsidiary companies, term of loan agreement with one subsidiary has been revised and the loan is made repayable at the option of the borrower in the current year. Such loans have accordingly been treated as Deemed Investment in the standalone financial statements. Further, section 186(11) of the Companies Act, 2013 ('Act') exempts the company from the applicability of section 186(7) of the Act and thus permits the Company to give interest free loans. In our opinion and according to the information and explanations given to us, the terms and conditions of these unsecured loans given by the Company are not prima facie, prejudicial to the company's interest as loans have been granted at such terms and conditions only to protect its investment in subsidiary companies. Further, the terms and conditions of unsecured loan granted to other party and one subsidiary are not prejudicial to the Company's interest;
 - b) according to the information and explanations given to us, the unsecured loans granted are repayable in accordance with the terms of the respective loan agreement. As informed to us, there is repayment of principal in respect of these unsecured loans in case of three subsidiaries; and
 - c) according to the information and explanations given to us, there are no overdue amounts in respect to loans granted to such companies and other party.
 4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans and investments, guarantees and securities.
- 

5. According to the information and explanation given to us, the Company has not accepted any deposits covered under Section 73 to 76 or any other provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) to Section 148 of the Companies Act, 2013, in respect of the services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, duty of customs and other material statutory dues have been regularly deposited with the appropriate authorities, however there have been serious delays in a large number of cases in Income tax and Good and Services tax. With introduction of Goods and services tax, the provisions of Duty of excise, Value added tax, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which amount relates	Amount (Rs. '000)	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer Note 37)	March 2019	148	15 April 2019	Not yet paid
Central Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017	Goods and services Tax	April'20-August'20	374	#	Not yet paid

These amounts have fallen due at various points of time during the current year.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Value added tax, Goods and Services tax and Duty of customs which have not been deposited with the appropriate authorities on account of any dispute, except as disclosed below:

Name of the Statute	Nature of the dues	Amount * (Rs. '000)	Amount paid under protest (Rs. '000)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Income Tax Act, 1961	Addition to the taxable income	18,128	-	2015-16	Commissioner of Income Tax (Appeals)

*Amount represents additions to taxable income.

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its banks and financial institutions or dues to debenture holders. Further, the Company has opted for moratorium period from March 2020 to August 2020 for repayment of principal and interest due to banks and financial institutions on reference of RBI circular issued dated 27 March 2020 and 23 May 2020 on COVID-19 Regulatory package. The Company did not have any outstanding loans or borrowings from government during the year.
9. According to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares. However, the Company has made private placement of non-convertible debentures during the year in compliance with Section 42 of Companies Act 2013.

BSR & Co. LLP

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022



Vikram Advani
Partner

Membership No.: 091765 ICAI
UDIN: 22091765ACAFVX3140

Place: Gurugram

Date: 14 February 2022

BSR & Co. LLP

Annexure B to the Independent Auditor's Report of even date on the standalone financial statements of SAMHI Hotels Limited

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 Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of SAMHI Hotels Limited ("the Company") as of 31 March 2021 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 and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone 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").

Management's Responsibility 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 standalone 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 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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.

BSR & Co. LLP

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

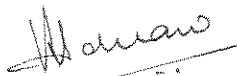
Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022



Vikram Advani
Partner

Place: Gurugram
Date: 14 February 2022

Membership No.: 091765 ICAI
UDIN:22091765ACAFVX3140

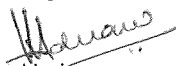
SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Standalone Balance Sheet as at 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,835,305	1,917,752
Right-of-use assets	3	35,991	17,612
Other intangible assets	4	12,641	18,278
Investments in subsidiaries	5	9,571,272	8,463,465
Financial assets			
Loans	6	2,789,069	3,170,416
Others	7	60,587	108,767
Income tax assets (net)	8	18,564	77,514
Other non-current assets	10	608	1,828
Total non-current assets		14,324,037	13,775,632
Current assets			
Inventories	11	2,878	4,478
Financial assets			
Trade receivables	12	92,843	577,267
Cash and cash equivalents	13	664,217	471,533
Bank balances other than cash and cash equivalents above	14	-	53
Loans	15	-	211,561
Others	16	14,847	33,945
Other current assets	17	35,482	42,826
Total current assets		810,267	1,341,663
TOTAL ASSETS		15,134,304	15,117,295
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	76,271	76,271
Other equity	19	7,871,409	8,429,692
Total equity		7,947,680	8,505,963
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	5,696,914	4,717,901
Lease liabilities	21	21,885	15,378
Others	21	20,421	-
Provisions	22	28,383	24,774
Total non-current liabilities		5,767,603	4,758,053
Current liabilities			
Financial liabilities			
Borrowings	23	6,607	22,781
Lease liabilities	24	18,132	7,533
Trade payables	25	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		163,067	127,975
Others	26	1,138,005	1,617,569
Other current liabilities	27	86,089	70,542
Provisions	28	7,121	6,879
Total current liabilities		1,419,021	1,853,279
TOTAL EQUITY AND LIABILITIES		15,134,304	15,117,295

The notes from Note 1 to Note 54 form an integral part of these standalone financial statements.

As per our report of even date attached


For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022


Vikram Advant
Partner
Membership No.: 091765


Place: Gurugram
Date: 14 FEB 2022

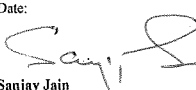
For and on behalf of Board of Directors of
SAMHI Hotels Limited


Ashish Jakhanwala
Managing Director and CEO
DIN:03304345

Place: Gurugram
Date:

Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date: 14 FEB 2022


Manav Thadani
Director
DIN:00534993

Place: Gurugram
Date:

Sanjay Jain
Senior Director-Corporate Affairs
& Company Secretary
Membership No.: F6137

Place: Gurugram
Date: 14 FEB 2022

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	29	439,896	761,494
Other income	30	310,308	625,561
Total income		750,204	1,387,055
Expenses			
Cost of materials consumed	31	23,408	39,950
Employee benefits expense	32	233,028	264,157
Other expenses	35	200,207	286,567
		456,643	590,674
Earnings before finance cost, depreciation, amortisation, tax and exceptional items		293,561	796,381
Finance costs	33	751,027	699,616
Depreciation and amortisation expense	34	101,148	107,870
		852,175	807,486
Profit / (Loss) before tax and exceptional items		(558,614)	(11,105)
Exceptional items	36	-	4,423,374
Profit / (Loss) before tax		(558,614)	(4,434,479)
Tax expense / (income)	9	-	-
Current tax		-	(264,444)
Deferred tax		-	1,099
Tax for earlier years		-	(263,343)
			(266,688)
Profit / (Loss) for the year		(558,614)	(4,171,136)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
- Re-measurement gain/(loss) on defined benefit obligations	32	331	(3,077)
- Income tax relating to items mentioned above		-	-
Other comprehensive income/(loss), net of tax		331	(3,077)
Total comprehensive income/(loss) for the year		(558,283)	(4,174,213)
Earnings per equity share			
Basic (INR)	37	(7.32)	(55.16)
Diluted (INR)		(7.32)	(55.16)

The notes from Note 1 to Note 54 form an integral part of these standalone financial statements.

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765

Place: Gurugram
Date: 14 FEB 2022

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

Ashish Jakhanwala
Managing Director and CEO
DIN:03304345

Place: Gurugram
Date:

Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date: 14 FEB 2022

Manav Thadani
Director
DIN:00534993

Place: Gurugram
Date:

Sanjay Jain
Senior Director-Corporate Affairs
& Company Secretary
Membership No.: F6137

Place: Gurugram
Date: 14 FEB 2022

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Standalone Statement of Changes in Equity for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

a. Equity share capital

Particulars	Number of shares	Amount
As at 1 April 2019	74,896,690	74,897
Changes in equity share capital during the year	1,374,014	1,374
As at 31 March 2020	76,270,704	76,271
Changes in equity share capital during the year	-	-
As at 31 March 2021	76,270,704	76,271


b. Other equity (refer note 19)

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Securities premium	Share options outstanding account	Retained earnings	Remeasurement of defined benefit liability / asset	
Balance as at 1 April 2019	10,721,361	77,135	1,526,769	-	12,325,265
Profit (loss) for the year	-	-	(4,171,136)	-	(4,171,136)
Other comprehensive income/(loss) (net of tax)	-	-	-	(3,077)	(3,077)
Total comprehensive income	-	-	(4,171,136)	(3,077)	(4,174,213)
Transition impact of Ind AS 116 (Refer note 48)	-	-	(6,339)	-	(6,339)
Share-based payments expense	-	(554)	-	-	(554)
Transferred to retained earnings	-	-	(3,077)	3,077	-
Additions made during the year	285,533	-	-	-	285,533
Balance as at 31 March 2020	11,006,894	76,581	(2,653,783)	-	8,429,692
Profit (loss) for the year	-	-	(558,614)	-	(558,614)
Other comprehensive income/(loss) (net of tax)	-	-	-	331	331
Total comprehensive income	-	-	(558,614)	331	(558,283)
Transferred to retained earnings	-	-	331	(331)	-
Balance as at 31 March 2021	11,006,894	76,581	(3,212,066)	-	7,871,409

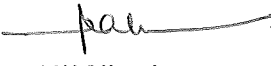
The notes from Note 1 to Note 54 form an integral part of these standalone financial statements.

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

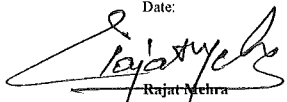

Vikram Advani
Partner
Membership No.: 091765


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


Ashish Jakhanwala
Managing Director and CEO
DIN:03304345


Manav Thadani
Director
DIN:00534993

Place: Gurugram
Date: 14 FEB 2022

Place: Gurugram
Date:

Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date:

Sanjay Jain
Senior Director-Corporate Affairs
& Company Secretary
Membership No.: F6137

Place: Gurugram
Date: 14 FEB 2022

Place: Gurugram
Date: 14 FEB 2022

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Standalone Statement of Cash Flows for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flows from operating activities		
Profit / (Loss) before tax	(558,614)	(4,434,479)
Adjustments for:		
Depreciation and amortisation	101,148	107,870
Finance costs	751,027	699,616
Interest income	(302,394)	(312,189)
Allowance for doubtful trade receivables	-	2,652
Impairment in value of property, plant and equipments and intangible assets	-	83,416
Impairment in value of investments in subsidiaries	-	4,169,424
Share based payments	-	(554)
Profit on redemption of mutual fund (net)	-	(1,369)
Government grant	1,552	(3,100)
Unwinding of discount on security deposit	(463)	(918)
Liabilities no longer required written back	(564)	(2,348)
Concessional interest component of loan from subsidiary (net of tax)	-	(299,584)
Gain on modification of leased assets	(3,169)	(31)
(Gain)/ Loss on fair valuation of derivative component of FCCDs	(2,687)	3,973
Operating profit before working capital changes	(14,164)	12,379
(Increase)/ decrease in loans	(739)	(1,796)
(Increase)/ decrease in trade receivables	484,986	84,281
(Increase)/ decrease in inventories	1,601	(198)
(Increase) / decrease in other assets	8,564	16,851
(Increase)/ decrease in other financial assets	17,546	732
Increase/ (decrease) in trade payables	35,092	56,869
Increase / (decrease) in other financial liabilities	11,183	644
Increase/ (decrease) in provisions	4,206	9,180
Increase/ (decrease) in other liabilities	15,547	(29,788)
Cash generated from operations	563,822	149,154
Income taxes (paid) / refunded - net	61,844	444
Net cash provided by operating activities (A)	625,666	149,598
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(654)	(30,433)
Proceeds from sale of property, plant and equipment	-	34
Loan provided to subsidiaries	(953,382)	(605,722)
Loan repayment by subsidiaries	767,080	10,000
Purchase of current investments	-	(279,000)
Proceeds from sale of current investments	-	494,200
Bank deposits matured	(80,645)	4,003,346
Bank deposits made	131,536	(4,031,271)
Interest received	9,956	15,803
Net cash (used) by investing activities (B)	(126,109)	(423,043)
C. Cash flows from financing activities		
Issue of equity share capital including securities premium	-	286,907
Finance costs paid	(231,440)	(404,337)
Lease payments	(13,792)	(15,166)
Proceeds from non-current borrowings	1,666,740	2,228,710
Repayment of non-current borrowings	(1,712,207)	(1,187,528)
Proceeds from / (repayment of) current borrowings - net	(16,174)	(241,321)
Net cash generated from/(used in) financing activities (C)	(306,873)	667,265
Net increase in cash and cash equivalents (A + B + C)	192,684	393,820
Cash and cash equivalents at the beginning of the year	471,533	77,713
Cash and cash equivalents at the end of the year	664,217	471,533

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Standalone Statement of Cash Flows for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

Notes to cash flow statement

	As at 31 March 2021	As at 31 March 2020
i Components of cash and cash equivalents:		
Cash in hand	262	283
Balances with banks:		
- in current accounts	663,955	153,174
- on deposit accounts (with original maturity of 3 months or less)	-	318,076
	664,217	471,533
ii. Movement in financial liabilities		
As on 1 April 2020		6,337,125
Cash flows (net)		(61,642)
Finance cost expense		751,027
Finance cost paid		(245,232)
Other non cash transactions		
- New Lease recognised/(Derecognition of lease liability)		27,845
- Derivative liability recognised on NCD issued		(20,421)
- loss on early repayment of loan from subsidiaries		37,823
- Unwinding of discount on asset retirement obligation		(165)
- Others		191
As on 31 March 2021		6,826,553
As on 1 April 2019		5,656,476
Cash flows (net)		799,861
Finance cost expense		699,616
Finance cost paid		(419,503)
Interest income on loan funds		1,133
Other non cash transactions		
- Concessional interest component of loan from subsidiary		(400,342)
- Unwinding of discount on asset retirement obligation		(116)
As on 31 March 2020		6,337,125

iii. The Statement of Cash Flows has been prepared in accordance with the 'Indirect Method' as set out in the Ind AS 7 on "Statement of Cash Flows".

The notes from Note 1 to Note 54 form an integral part of these standalone financial statements.

As per our report of even date attached

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



Vikram Advani
Partner
Membership No.: 091765

Place: Gurugram
Date: 14 FEB 2022

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



Ashish Jakhanwala
Managing Director and CEO
DIN:03304345

Place: Gurugram
Date:



Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date: 14 FEB 2022



Manav Thadani
Director
DIN:00534993

Place: Gurugram
Date:



Sanjay Jain
Senior Director-Corporate Affairs
& Company Secretary
Membership No.: F6137

Place: Gurugram
Date: 14 FEB 2022

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

1.1 Corporate information

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private 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 two operational hotels under it i.e. Fairfield by Marriott - Bangalore and Fairfield Sriperumbudur - Chennai.

1.2 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 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 14 February 2022

B. Functional and presentation currency

These 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 thousands, 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
Certain financial assets and liabilities (including derivatives instruments)	Fair Value

Also refer note 54 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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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.

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 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 there by 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 is 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, recoverable amounts and impairment of property, plant and equipment

The estimated useful lives and recoverable amounts of property, plant and equipment are based on estimates and assumptions regarding the expected market outlook, expected future cash flows, obsolescence, demand, competition, and known technological advances. The company reviews the useful lives and recoverable amounts of property, plant and equipment 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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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 41 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 tax losses carried forward can be used. A deferred tax asset is recognised for unused tax losses, deductible temporary differences and MAT credit available, 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.

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
- 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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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 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.

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 in 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 42.

2. 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 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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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/ (upto) 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:

Asset Category*	Useful Life (years)	Useful life as per Schedule II
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	3-5	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 of the Companies Act 2013.

Freehold land is not depreciated.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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 represents computer software and are amortized using the straight-line method over the estimated useful life (at present three to ten years) or the tenure of the respective software license, whichever is lower. 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.

3) Financial instruments

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.

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;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

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:

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

- 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.

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, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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;

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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 derecognises 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 derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises 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

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

extinguished and the new financial liability with modified terms is recognised in profit or loss.

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.

Corporate guarantees provided to Banks on behalf of and in respect of loans obtained by the subsidiary are in the nature of financial guarantees. 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.

v. *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 amortised 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 amortised costs and interest expense is recognised using effective interest rate method.

vi. *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 Statement of Profit and Loss.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

vii. Modification of financial assets and liabilities

Financial assets:

If the terms of a financial asset 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 derecognises 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.

viii. 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 in to 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.

Further, the conversion of FCCDs into equity shares is based on the Company achieving certain IRR % in foreign currency (USD) terms. The Company has identified the foreign currency IRR as an embedded derivative. As the risks associated with the underlying variable are not closely related to the host instrument, the foreign currency embedded derivative has been separately accounted for from the FCCDs. The foreign currency embedded derivative has been fair valued through profit or loss at each balance sheet date.

ix. Non-convertible debentures

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

Further, the Company has identified the redemption right as derivative component. As the risks associated with the underlying variable are not closely related to the host instrument, the derivative component has been separately accounted for from the NCDs. The derivative component has been fair valued through profit or loss at each balance sheet date.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

x. *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.

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 reorganisation; 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).

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

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 analysed.

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.

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. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price 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).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed 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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

5) Inventories

Inventories which comprises stock of food and beverages (including liquor) is carried at the lower of cost and net realisable 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.

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 utilised 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.

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

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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 financial statements.

9) Borrowing Cost

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 acquisition and/or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. 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 restated consolidated 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 to the scheme for service received before the balance sheet date, the deficit payable to

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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 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.

(c) 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. Re measurements 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.

Revenue from hotel operations

Room revenue, sale of food and beverages and 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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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) Accounting for Foreign Currency Transactions

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 profit or 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.

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

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

reporting date. Minimum Alternate Tax ('MAT') for the year is charged to the Standalone Statement of Profit and Loss current Tax.

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; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timings of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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 recognises 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 realised. Deferred tax assets – unrecognised or recognised, 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 realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised 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.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

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 realised simultaneously.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

15) Segment reporting

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

Identification of segments:

In accordance with Ind AS 108, Operating Segment, 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) 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, has notified Ind AS 116 Leases which replaces 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 recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative 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 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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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 of 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 Balance Sheet and lease payments have been classified as financing cash flows. .

Company as a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

17) 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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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.

18) Investment in subsidiary

Investment in subsidiary is carried at cost, less any impairment in the value of investment, in these separate financial statements.

19) 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.

3 Property, plant and equipment, Right-of-use assets and Capital work-in-progress

Reconciliation of carrying amount

	Freehold land	Leasehold improvements	Buildings	Furniture and fixtures	Plant and machinery	Vehicles	Computers and accessories	Office equipment	Total Property, plant and equipment	Right-of-use assets
Gross carrying amount										
Balance as at 1 April 2019	783,107	14,873	1,004,831	145,141	327,084	28,309	41,218	13,411	2,357,974	-
Transition impact of Ind AS 116 (Refer note 48)	-	-	-	-	-	-	-	-	-	26,644
Additions during the year	-	30	11,340	-	5,639	-	3,203	-	20,212	-
Deletions/transfers during the year	-	-	-	-	-	-	(63)	-	(63)	-
Balance as at 31 March 2020	783,107	14,903	1,016,171	145,141	332,723	28,309	44,358	13,411	2,378,123	26,644
Additions during the year	-	-	-	-	-	-	422	-	422	-
Deletions/transfers during the year	-	-	-	-	-	-	-	-	-	(26,644)
Balance as at 31 March 2021	783,107	14,903	1,016,171	145,141	332,723	28,309	44,780	13,411	2,378,545	43,189
Accumulated depreciation										
Balance as at 1 April 2019	-	11,729	102,989	70,938	62,386	5,674	22,175	8,825	284,716	-
Depreciation charge for the year	-	307	38,360	19,892	21,170	3,335	8,771	959	92,994	9,632
Reversal on disposal of assets	-	-	-	-	-	-	(60)	-	(60)	-
Impairment loss (refer note 51)	-	8	64,132	3,386	14,595	-	180	400	83,721	-
Balance as at 31 March 2020	-	12,844	205,701	94,216	98,151	9,009	31,066	10,184	460,371	9,632
Depreciation charge for the year	-	328	35,148	16,882	19,502	3,403	7,268	338	83,869	12,635
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	(14,469)
Balance as at 31 March 2021	-	12,872	240,849	111,098	117,653	12,412	38,334	10,522	543,240	7,198
Net carrying amount										
Balance as at 31 March 2020	783,107	2,659	810,470	50,925	234,572	19,300	13,292	3,227	1,917,782	17,612
Balance as at 31 March 2021	783,107	2,531	775,322	34,043	215,070	15,897	6,446	2,889	1,835,305	35,991

d) Refer to Note 20 for information on property, plant and equipment pledged as security by the Company.

4 Other Intangible assets

Reconciliation of carrying amount

	Computer software	Total
Gross carrying amount		
Balance as at 1 April 2019	38,669	38,669
Additions during the year	-	-
Deletions/transfers during the year	-	-
Balance as at 31 March 2020	38,669	38,669
Additions during the year	-	-
Deletions/transfers during the year	-	-
Balance as at 31 March 2021	38,669	38,669
Accumulated amortification		
Balance as at 1 April 2019	13,852	13,852
Amortisation expense for the year	5,844	5,844
Reversal on disposal of assets	-	-
Impairment loss (refer note 51)	695	695
Balance as at 31 March 2020	20,391	20,391
Amortisation expense for the year	5,637	5,637
Reversal on disposal of assets	-	-
Balance as at 31 March 2021	26,028	26,028
Net carrying amount		
Balance as at 31 March 2020	18,278	18,278
Balance as at 31 March 2021	12,641	12,641

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
5 Investments in subsidiaries		
Trade investments, unquoted		
a) Investments in equity shares (At cost)		
Barque Hotels Private Limited	1,084,124	1,084,124
30,046,105 (31 March 2020 - 30,046,105) Equity shares of INR 10 each		
Out of the above equity shares 15,323,514 (31 March 2020 - 15,323,514) equity shares of Rs 10 each have been pledged in respect of loan taken by Barque Hotels Private Limited.		
SAMHI Hotels (Ahmedabad) Private Limited	615,997	615,997
2,164,935 (31 March 2020 - 2,164,935) Class A Equity shares of INR 10 each		
10 (31 March 2020 - 10) Class B Equity shares of INR 10 each		
CASPIA Hotels Private Limited	114,848	114,848
18,000,000 (31 March 2020 - 18,000,000) Equity Shares of INR 10 each		
Out of the above equity shares: 5,400,000 (31 March 2020 - 5,400,000) equity shares of Rs 10 each have been pledged in respect of loan taken by CASPIA Hotels Private Limited		
SAMHI Hotels (Gurgaon) Private Limited	721,323	721,323
708,760 (31 March 2020 - 708,760) Equity Shares of INR 10 each		
SAMHI JV Business Hotels Private Limited	1,617,049	1,617,049
124,780,000 (31 March 2020 - 124,780,000) Equity Shares of INR 10 each		
Out of the above equity shares, 124,779,999 (31 March 2020 - 124,779,999) equity shares of Rs 10 each have been pledged in respect of loan taken by SAMHI JV Business Hotels Private Limited		
Ascent Hotels Private Limited	1,196,000	1,196,000
127,801,486 (31 March 2020 - 127,801,486) Equity Shares of INR 10 each		
Out of the above equity share, 127,801,485 (31 March 2020 - 127,801,485) equity shares of Rs 10 each have been pledged in respect of loan taken by Ascent Hotels Private Limited.		
Argon Hotels Private Limited	20,000	20,000
7,770,491 (31 March 2020 - 7,770,491) Equity Shares of INR 10 each		
b) Investments in Preference shares (At cost)		
SAMHI Hotels (Ahmedabad) Private Limited	1,260,000	1,260,000
6,300,000 (31 March 2020 - 6,300,000) 0.001% Compulsory convertible preference shares of INR 10 each		
c) Deemed investment in subsidiary (At cost)		
<i>Interest free loans extended to: *</i>		
SAMHI Hotels (Gurgaon) Private Limited	359,542	267,442
CASPIA Hotels Private Limited	2,667,423	2,520,957
SAMHI Hotels (Ahmedabad) Private Limited	555,488	575,488
Barque Hotels Private Limited	2,196,478	1,660,312
SAMHI JV Business Hotels Private Limited	37,823	-
Ascent Hotels Private Limited **	315,252	-
<i>Overdraft facilities at concessional rate:</i>		
SAMHI Hotels (Ahmedabad) Private Limited	4,896	4,896
Barque Hotels Private Limited	18,690	18,690
d) Investments in debentures		
Barque Hotels Private Limited		
8,328,975 (31 March 2020 - 8,328,975) 0% unsecured fully compulsorily convertible debentures ("FCCDs") of INR 100 each	955,763	955,763
 Provision for impairment in value of investments (refer note 52)	<u>(4,169,424)</u>	<u>(4,169,424)</u>
	<u>9,571,272</u>	<u>8,463,465</u>
 Aggregate amount of unquoted investments	13,740,696	12,632,889
Aggregate amount of impairment in value of investments	<u>(4,169,424)</u>	<u>(4,169,424)</u>
Aggregate amount of unquoted investments (after impairment)	<u>9,571,272</u>	<u>8,463,465</u>
 * Movement of loans to subsidiaries		
Total proceeds	6,916,463	6,730,161
Less: Deemed investment	<u>(6,132,006)</u>	<u>(5,024,199)</u>
	784,457	1,705,962
Add: Gain on early payment of loan by subsidiaries	786,938	786,938
Less: Loss on modification of financial assets	(214,119)	(214,119)
Add: Interest income accretion [net of TDS of INR 2,894 (31 March 2020: INR 25,264)]	1,336,376	1,049,842
Closing balance of loan component (including accrued interest)	<u>2,693,652</u>	<u>3,328,623</u>

** Represents loan given to Ascent Hotels Private Limited, the Subsidiary Company. During the year, the terms of unsecured loan have been modified which are as below:
- Nil rate of interest.
- Repayable at the option of borrower.
As per the amended terms, entire loan outstanding as on 31st March 2021 has been transferred to deemed investment based on principles of Ind AS.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
6 Non-current financial assets - Loans (Unsecured, considered good)		
Security deposits	15,805	14,596
To related parties		
Loans to subsidiary ^		
Argon Hotels Private Limited**	2,731,474	3,155,820
Other loans		
Advances to Key Management Person* #	41,790	38,759
Less: Reclassed to Current financial assets - Loans (refer note 15)	-	(38,759)
	<u>41,790</u>	<u>-</u>
	<u>2,789,069</u>	<u>3,170,416</u>
^ The Company has provided loans to subsidiary as per the following terms: Argon Hotels Private Limited - Loan is repayable on demand at the option of the borrower and carries an interest rate of @ 12% p.a. on principal loan amount. * Represent loan given to Managing Director of the Company on 20 March 2014 at an interest rate of 14.75% per annum on principal loan amount which is repayable on or before 31 March 2024. # Includes interest accrued of INR 21,250 (31 March 2020 - INR 18,219). **Includes accrued interest of INR 972,501 (31 March 2020 - INR 685,967).		
7 Non-current financial assets - Others		
Bank deposits due to mature after 12 months from the reporting date* #	57,285	108,152
Derivative component of FCCDs ^	3,302	615
	<u>60,587</u>	<u>108,767</u>
* Includes deposits under lien amounting to INR 51,372 (31 March 2020 - INR 102,213) # Includes interest accrued on fixed deposits amounting to INR 5,913 (31 March 2020 - INR 5,939) ^ The Company has issued 1,260,000 fully compulsorily convertible debentures (FCCDs) to International Financial Corporation (IFC). As per the terms of FCCDs, the conversion of FCCDs into equity shares is based on the Company achieving certain IRR % in foreign currency (USD) terms. The Company has identified the foreign currency IRR as an embedded derivative. As the risks associated with the underlying variable are not closely related to the host instrument, the embedded derivative has been separately accounted for from the FCCDs. The embedded derivative has been fair valued through profit or loss at each balance sheet date. Refer Note 41 for financial instruments disclosure (including fair value disclosure).		
8 Income tax assets (net)		
Tax deducted at source	18,564	77,514
	<u>18,564</u>	<u>77,514</u>
9 Income tax		
A: The major components of income tax expense / (income) are	For the year ended 31 March 2021	For the year ended 31 March 2020
Recognised in profit or loss		
Current tax	-	-
Deferred tax	-	(264,444)
	<u>-</u>	<u>(264,444)</u>
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 2021	For the year ended 31 March 2020
	%	Amount
Profit / (Loss) before tax		(558,614)
Tax using the Company's domestic tax rate	25.17	(140,592)
Effect of:		
Non-deductible differences	(1.75)	9,768
Deductible differences which deferred tax assets not recognised	(23.49)	131,241
Others	0.07	(416)
Change in tax rate	-	-
Effective tax rate	<u>-</u>	<u>5.96</u>
The Company has adopted new tax regime under section 115BAA of Income tax Act, 1961 for the FY 2019-20.		(264,444)
C. Deferred tax assets / liabilities	As at 31 March 2021	As at 31 March 2020
Deferred tax assets		
Unabsorbed business losses and depreciation	155,089	106,152
Impairment in value of investments	1,049,360	1,049,360
Loss allowance for doubtful debts	778	919
Provision for employee benefits	20,021	18,093
Financial guarantee provided	110,105	44,120
Others	492	642
Share options outstanding	19,274	19,274
	<u>1,355,119</u>	<u>1,238,560</u>
Deferred tax liabilities		
Property, plant and equipment, Capital work-in-progress and Intangible assets	164,643	160,289
Loan from subsidiary	180,453	199,696
Derivative component of FCCDs	831	624
	<u>345,927</u>	<u>360,609</u>
Deferred tax asset / (liability) - net	<u>1,009,192</u>	<u>877,951</u>
Deferred tax asset / (liability) recognised *	-	-
* As at 31 March 2020, 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 have been recognized to the extent of deferred tax liabilities only.		

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

D. Movement in temporary differences

31 March 2021

Particulars	Balance as at 1 April 2020	Movement during 2020-21	Balance as at 31 March 2021
Property, plant and equipment, Right of use assets, Capital work-in-progress and Intangible assets	(160,289)	(4,354)	(164,643)
Unabsorbed business losses	106,152	48,937	155,089
Impairment in value of investments	1,049,360	-	1,049,360
Share options outstanding	19,274	-	19,274
Loss allowance for doubtful debts	919	(141)	778
Provision for employee benefits	18,093	1,928	20,021
Loan from subsidiary	(199,696)	19,243	(180,453)
Interest accrued but not due	44,120	65,985	110,105
Derivative component of FCCDs	(624)	(207)	(831)
Others	642	(150)	492
Total	877,951	131,241	1,009,192

31 March 2020

Particulars	Balance as at 1 April 2019	Movement during 2019-20	Balance as at 31 March 2020
Property, plant and equipment, Right of use assets, Capital work-in-progress and Intangible assets	(182,898)	22,608.60	(160,289)
Investments measured at fair value	(769)	768.90	-
Unabsorbed business losses and depreciation	93,760	12,392.00	106,152
Impairment in value of investments	-	1,049,360.00	1,049,360
Share options outstanding	20,055	(781.00)	19,274
Loss allowance for doubtful debts	260	639.00	919
Provision for employee benefits	13,287	4,806.00	18,093
Loan from subsidiary	(108,964)	(90,732.00)	(199,696)
Interest accrued but not due	-	44,120.00	44,120
Derivative component of FCCDs	(1,193)	569.00	(624)
Others	644	(2.00)	642
Total	(165,818)	(165,817.50)	877,951

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 2021	
	Amount	Expiry Date (Financial Year)
Business loss	1,779	2021-22
Business loss	113,923	2024-25
Business loss	134,576	2027-28
	85,655	2028-29
Unabsorbed depreciation	389,291	Never expire
	As at 31 March 2021	As at 31 March 2020
10 Other non-current assets (Unsecured, considered good)		
Capital advances	433	433
Prepaid expenses	175	1,395
	608	1,828
11 Inventories (Valued at the lower of cost and net realisable value)		
Food	-	987
Beverages	2,878	3,491
	2,878	4,478
12 Current financial assets - Trade receivables		
Unsecured		
- Considered good	92,843	577,267
- Credit impaired	3,090	3,653
	95,933	580,920
Allowance for credit impaired	(3,090)	(3,653)
	92,843	577,268
13 Current financial assets - Cash and cash equivalents		
Balances with banks		
- on current accounts	663,955	153,174
- on deposit accounts (with original maturity of 3 months or less) #	-	318,076
Cash on hand	262	283
	664,217	471,533
# Includes interest accrued on fixed deposits amounting to INR Nil (31 March 2020 - INR 230)		
14 Current financial assets - Bank balances other than cash and cash equivalents above		
Bank deposits (due to mature within 12 months from the reporting date) *	-	53
	-	53
* Includes interest accrued on fixed deposits amounting to Nil (31 March 2020 - INR 3)		

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
15 Current financial assets - Loans <i>(Unsecured, considered good)</i>		
To related parties		
Advances to Key Management Person (Refer note 6)	-	38,759
Loan to subsidiary Ascent Hotels Private Limited *	-	172,802
	<u>-</u>	<u>211,561</u>
<p>* Represents loan given to Ascent Hotels Private Limited, the Subsidiary Company. During the current year, terms of unsecured loan have been modified which are as below: - Nil rate of interest - Repayable at the option of the borrower As per the amended terms, entire loan outstanding as on 31st March 2021 has been transferred to deemed investment during the year based on principles of Ind AS.</p>		
16 Current financial assets - Others <i>(Unsecured, considered good)</i>		
Government grant #	2,388	7,828
Other receivables*		
- SAMHI Hotels (Ahmedabad) Private Limited	819	819
- CASPIA Hotels Private Limited	332	332
- Argon Hotels Private Limited	2,147	16,869
Unbilled revenue**	9,161	8,097
	<u>14,847</u>	<u>33,945</u>
<p># The Company is availing export incentive under Service Exports from India Scheme (SEIS). Under the scheme, the Company is entitled to receive SEIS licenses based on the annual earnings in foreign currency. These licenses can be utilized by the Company or sold in the market. During the year, the Company has recognised income of INR 39 (31 March 2020 – INR 3,100) and written off government grant of INR 1,591 (31 March 2020 - INR Nil).</p> <p>* Other receivables includes expenses incurred by the company on behalf of its subsidiaries. ** Net of advance from customers of INR 5,703 (31 March 2020 - INR 4,299).</p>		
17 Other current assets <i>(Unsecured, considered good)</i>		
Balance with statutory authorities	25,172	26,290
Prepaid expenses*	6,197	9,902
Advance to employees	2,500	2,500
Other advances	1,613	4,134
	<u>35,482</u>	<u>42,826</u>
<p>* includes current portion of non-current prepaid expenses amounting to INR 151 (31 March 2020 - INR 948)</p>		

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
18 Equity share capital				
Authorised share capital				
Equity shares of INR 1 each (31 March 2020 - INR 1 each)	130,000,000	130,000	130,000,000	130,000
	<u>130,000,000</u>	<u>130,000</u>	<u>130,000,000</u>	<u>130,000</u>
Issued, subscribed and fully paid up				
Equity shares of INR 1 each (31 March 2020 - INR 1 each)	76,270,704	76,271	76,270,704	76,271
	<u>76,270,704</u>	<u>76,271</u>	<u>76,270,704</u>	<u>76,271</u>

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	76,270,704	76,271	74,896,690	74,897
Add : Issued during the year	-	-	1,374,014	1,374
Balance at the end of the year	<u>76,270,704</u>	<u>76,271</u>	<u>76,270,704</u>	<u>76,271</u>

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% shares

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Blue Chandra Pte. Limited	37,641,140	49.35%	37,641,140	49.35%
GTL Capital Alpha Private Limited	13,747,395	18.02%	13,747,395	18.02%
Goldman Sachs Investment Holding (Asia) Ltd.	22,023,692	28.88%	22,023,692	28.88%

d) Shares reserved for issue under options

Refer note 47 for details of shares issued Employee Stock Option Plan of the Company.

e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

f) Refer note 20 (e) for shares reserved and conversion terms in respect of Fully Compulsory Convertible Debentures (FCCD) held by International Finance Corporation.

g) Refer note 49 for changes to share capital during the year ended 31 March 2021.

19 Other equity

	As at	As at
	31 March 2021	31 March 2020
Share options outstanding account	76,581	76,581
Securities premium	11,006,894	11,006,894
Retained earnings	(3,212,066)	(2,653,783)
Other comprehensive income - Remeasurements of defined benefit liability / asset	-	-
	<u>7,871,409</u>	<u>8,429,692</u>
	For the year ended	For the year ended
	31 March 2021	31 March 2020
a) Share options outstanding account		
Balance at the beginning of the year	76,581	77,135
Share based payments expense (Refer note 47)	-	(554)
	<u>76,581</u>	<u>76,581</u>

The Company has established equity settled shared based payment plan for certain categories of employees of the Company. Refer note 47 for further details on this plan.

b) Securities premium

Balance at the beginning of the year	11,006,894	10,721,361
Add : Additions made during the year	-	285,533
	<u>11,006,894</u>	<u>11,006,894</u>

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.

c) Retained earnings

Balance at the beginning of the year	(2,653,783)	1,526,769
Transition impact of Ind AS 116 - net of tax (Refer note 48)	-	(6,339)
Profit/ (Loss) for the year	(558,614)	(4,171,136)
Transferred from other comprehensive income	331	(3,077)
	<u>(3,212,066)</u>	<u>(2,653,783)</u>

Retained earnings represent the amount of accumulated profits/(losses) of the Company.

d) Other comprehensive income - Remeasurements of defined benefit liability / asset

Balance at the beginning of the year	-	-
Remeasurements gain/(loss) - net of tax	331	(3,077)
Transferred to retained earnings	(331)	3,077
	<u>-</u>	<u>-</u>

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

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
20 Non-current financial liabilities - Borrowings		
Term loan from banks (secured) [refer (a) below] ^	2,380,187	3,085,986
Less: Interest accrued but not due on borrowings *	-	(16,721)
Less: Current maturities of long term borrowings * §	<u>(45,925)</u>	<u>(1,555,735)</u>
	2,334,263	1,513,530
Term loans from institution (secured) [refer (b) below] **	1,032,827	888,295
Less: Current maturities of long term borrowings *	<u>(1,032,827)</u>	-
	-	888,295
Vehicle loans (secured) [refer (c) below]	8,218	9,293
Less: Current maturities of long term borrowings *	<u>(4,264)</u>	<u>(1,075)</u>
	3,952	8,218
Loan from subsidiary [refer (d) below]	<u>345,205</u>	<u>325,536</u>
	2,683,420	2,735,579
Fully Compulsory Convertible Debentures (unsecured) [refer (e) below] 1,260,000 (31 March 2020 - 1,260,000) 8.5 % Fully Compulsory Convertible Debentures (FCCD) of INR 1,000 each held by International Finance Corporation #	2,155,680	1,982,322
Non Compulsory Convertible Debentures (unsecured) [refer (e) below] 870 , 25 % Non Convertible Debenture of Rs 1,000,000 each	857,814	-
	<u>5,696,914</u>	<u>4,717,901</u>

^ includes interest on secured loan of INR 13,054 as Company has taken 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. Interest capitalised will be payable in proportion to ratio of the original principal repayments or will be paid along with the last installment of loan basis correspondence from the respective bank.

§ Denotes current maturity for period 1 September 2020 to 31 March 2021 as Company has taken 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.

* Amount disclosed under "Other current financial liabilities"

includes interest accrued of INR 895,680 (31 March 2020 - INR 722,322)

** including interest accrued but not due on term loan from financial institution amounting to INR 284,870 (31 March 2020 - INR 145,313)

(a) Term loans taken from banks:

Sanction amounts

Secured working capital term loan from Standard Chartered Bank - INR 310,000 (31 March 2020 - INR 1,550,000)

Secured loan from Indusind Bank - INR 1,590,000 (31 March 2020 - INR 1,590,000)

Secured working capital term loan from Indusind Bank - INR 488,400 (31 March 2020 - Nil)

Secured working capital term Loan from Standard Chartered Bank

Working capital term loan from bank is secured by second charge;

1) Second charge on five Hotel properties of subsidiary (Argon Hotels Private Limited)

2) Second charge/hypothecation on , moveable fixed assets of five hotel properties.

3) Second charge on present and future receivables of five Hotel properties.owned or taken on leases by the Subsidiary.

It carries an interest rate of 9.25% p.a.The loan is repayable in 48 monthly installments after 12 months from first disbursement date.

Terms of Secured loan from Indusind Bank

Term loan from bank is secured by first charge:

First charge on all immovable fixed assets of Fairfield by Marriott Bengaluru Rajajinagar and Fairfield by Marriott, Sriperumbudur (Hotels).

First charge on all movable fixed assets of the Hotels, both present and future.

Security cover of 1.25x (considering value of movable and immovable fixed assets) during the entire tenor of facilities.

First charge on all current assets of the Hotels both present and future.

First charge on all the cash flows of the Hotels both present and future.

Cross collateralization of all assets and cash flows of hotels.

It carries an interest rate of MCLR plus 0.2% i.e. 10.05% p.a. (31 March 2020 - 10.05% p.a.) as at year end. The loan is repayable in 56 structured quarterly installments commencing from 30 September 2020 till 31 March 2034. Further, the Company shall maintain DSRA equivalent to one quarter principal and interest repayment due in the form of fixed deposit duly lien marked in favor of the bank.

Secured working capital term loan from Indusind Bank

Term loan from bank is secured by second charge:

Second charge on all immovable fixed assets of Fairfield by Marriott Bengaluru Rajajinagar and Fairfield by Marriott, Sriperumbudur (Hotels).

Second charge on all movable fixed assets of the Hotels, both present and future.

Second charge on all current assets of the Hotels both present and future.

Second charge on all the cash flows of the Hotels both present and future.

It carries an interest rate of 9.25% p.a. as at year end. The loan is repayable in 48 monthly installments after 12 months from first disbursement date .

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

(b) Loan from financial institutions

The Company has obtained term loan facility of INR 750,000 (31 March 2020 - INR 750,000) for 3 years.
The interest rate (accrual) for term loan from PHL Fininvest Private Limited is PIRamal Prime Lending Rate (PPLR) less facility spread i.e. 15.80% p.a. as at 31 March 2021 (31 March 2020 - 17%).

The entire interest accrued and principal outstanding will be repaid at the end of the loan term of 3 years.

Loans from PHL Fininvest Private Limited is secured by way of:

- (i) First ranking pari passu charge, over property of Courtyard & Fairfield by Marriott, Bangalore ("Bangalore Project") [under entity SAMHI JV Business Hotels Private Limited]
- (ii) First ranking pari passu charge, over property of Sheraton, Hyderabad ("Hyderabad Project") [under entity SAMHI Hotels (Ahmedabad) Private Limited]
- (iii) First ranking pari passu charge, over Bangalore Project Receivables, Current Account and Project Escrow Account
- (iv) First ranking pari passu charge, over Hyderabad Project receivables, Current Account and Project Escrow Account
- (v) First ranking pari passu charge by way of 100% Share Pledge of SAMHI JV Business Hotels Private Limited
- (vi) Non-disposal undertaking from promoter for 100% shares of SAMHI Hotels (Ahmedabad) Private Limited
- (vii) Non-disposal undertaking from promoter for 50% shares of SAMHI JV Business Hotels Private Limited

(c) Terms of vehicle loans:

It consists of vehicle loans from BMW Financial services repayable in 24-36 monthly installments carrying interest rate of 9.70% p.a. It is secured by way of hypothecation against the respective vehicle.

(d) Terms of loan from subsidiary:

Represents liability component of the interest free loan received from SAMHI JV Business Hotels Private Limited, Subsidiary Company, recognised at fair value and subsequently measured at amortised costs. This loan is repayable after payment of term loan from banks.

Movement of Interest free loans:

	As at 31 March 2021	As at 31 March 2020
Total proceeds	1,062,201	1,119,000
Less: Concessional interest component of loan from subsidiary	<u>(825,052)</u>	<u>(825,052)</u>
	237,149	293,948
Add: Interest expense accretion	70,232	31,588
Add: Deemed investment in subsidiary	<u>37,823</u>	
Closing balance of liability component	<u>345,204</u>	<u>325,536</u>
Concessional interest component of loan from subsidiary on initial recognition	825,052	825,052
Less: Tax impact	<u>(211,183)</u>	<u>(211,183)</u>
Concessional interest component of loan from subsidiary (net of tax)	<u>613,869</u>	<u>613,869</u>

(e) Fully Compulsory Convertible Debentures (unsecured)

As per the debenture agreement dated 12 August 2014 between the Company and IFC (International Financial Corporation), each debenture must be mandatorily converted on liquidity event or maturity date 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. These debentures shall bear interest at the rate 8.5 % p.a. The Interest shall accrue for a period of the 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. In any event the entire interest shall be paid to IFC prior to the seventh anniversary of the IFC Subscription date. Also refer note 7 for derivative component of IFC FCCDs.

(f) The Company did not have any continuing defaults as on the balance sheet date 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.

(g) The Company has availed moratorium on principal and interest payments 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. Accordingly, principal repayments falling due during the period 1 March 2020 to 31 August 2020 have been shifted across the board, wherever applicable, resulting in increasing the loan tenure by 6 months.

(h) Non Compulsory Convertible Debentures (unsecured)

As per debenture agreement dated 10th March 2021 between the company and the debentureholders, debentures shall be redeemed after 36 months from the deemed date of allotment. These debentures shall bear interest at 25% 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.

	As at 31 March 2021	As at 31 March 2020
21 Non current financial liabilities		
Lease liabilities	21,885	15,378
Derivative component of NCDs	<u>20,421</u>	<u>-</u>
	<u>42,305</u>	<u>15,378</u>

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
22 Non-current provisions		
Provision for employee benefits		
Gratuity (refer note 32)	16,580	14,005
Compensated absences (refer note 32)	10,794	9,734
Decommissioning liability *	1,009	1,035
	<u>28,383</u>	<u>24,774</u>
* Movement in Decommissioning liability	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	1,035	919
Unwinding of interest during the year	165	116
Provisions utilised during the year	(191)	-
Closing balance	<u>1,009</u>	<u>1,035</u>
	As at 31 March 2021	As at 31 March 2020
23 Current financial liabilities - Borrowings		
Loan repayable on demand		
Overdraft facility from banks (secured) *	6,607	22,781
	<u>6,607</u>	<u>22,781</u>
* includes interest on secured loan of INR Nil (31st March 2020 : INR 213) as company has taken 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. As per aforesaid circulars, interest will be payable post moratorium period maximum by 31 March 2021.		
Overdraft from Indusind Bank carries interest rate of 10.05% p.a. as at 31 March 2021 computed on monthly basis on the actual amount utilised, and is repayable on demand. This is secured by exclusive charge on all present and future immovable, movable fixed assets, current assets of property, and receivables.		
24 Current financial liabilities - Lease liabilities		
Lease liabilities	18,132	7,533
	<u>18,132</u>	<u>7,533</u>
25 Current financial liabilities - Trade payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	163,067	127,975
	<u>163,067</u>	<u>127,975</u>
Refer note 46 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)		
Refer note 40 for related party balances		
The Company's exposure to currency and liquidity risks related to trade payables is disclosed note 42		
26 Current financial liabilities - Others		
Current maturities of long-term borrowings (refer note 20)	1,083,017	1,556,810
Interest accrued but not due on borrowings (refer note 20)	-	16,721
Payable for capital assets	2,147	2,379
Employee related payables	52,841	41,659
	<u>1,138,005</u>	<u>1,617,569</u>
27 Other current liabilities		
Statutory dues payable	81,770	64,686
Advance from customers	4,319	5,856
	<u>86,089</u>	<u>70,542</u>
28 Current provisions		
Provision for employee benefits		
Gratuity (refer note 32)	4,001	3,510
Compensated absences (refer note 32)	3,120	3,369
	<u>7,121</u>	<u>6,879</u>

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
29 Revenue from operations		
Sale of products and services		
- Room revenue	179,309	321,157
- Food and beverage revenue	85,205	126,799
- Recreation and other services	175,382	313,538
	<u>439,896</u>	<u>761,494</u>
	As at 31 March 2021	As at 31 March 2020
Contract liabilities	4,319	5,856
- Advance from customers		
Contract assets	9,161	8,097
- Unbilled revenue		
Note: Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue and contract assets are converted into cash/trade receivables within the same operating cycle.		
	For the year ended 31 March 2021	For the year ended 31 March 2020
30 Other income		
Interest income from financial assets at amortised cost		
- on fixed deposits	9,935	14,503
- on loan to subsidiaries	289,428	294,655
- on others	3,031	3,031
Unwinding of discount on security deposit	463	918
Profit on redemption of mutual funds (net)	-	1,369
Government grants	39	3,100
Liabilities no longer required written back	564	2,348
Gain on sale of property, plant and equipment (net)	-	31
Gain on modification of leased assets	3,169	-
Interest on income tax refund	992	6,022
Concessional interest component of loan from subsidiary (net of tax) (refer note 20)	-	299,584
Gain on fair valuation of derivative component of FCCDs (refer note 7)	2,687	-
	<u>310,308</u>	<u>625,561</u>
31 Cost of materials consumed		
Consumption of food and beverages		
Inventory at the beginning of the year	4,478	4,281
Add: Purchases	21,807	40,147
Inventory at the end of the year	(2,878)	(4,478)
	<u>23,407</u>	<u>39,950</u>
	For the year ended 31 March 2021	For the year ended 31 March 2020
32 Employee benefits expense		
Salaries, wages and bonus	215,714	232,530
Contribution to provident fund and other funds (refer 'a' below)	4,861	10,207
Compensated absences (refer 'b' below)	1,207	6,725
Gratuity expense (refer 'c' below)	3,475	3,239
Share based payments (Refer note 47)	-	(554)
Staff welfare expenses	7,771	12,010
	<u>233,028</u>	<u>264,157</u>
a. Defined Contribution plans		

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

The Company's employees provident fund scheme and employee state insurance scheme are defined contribution plans. A sum of INR 4861 (31 March 2020 - INR 10,207) has been recognised as an expense in relation to these schemes and shown under Employee benefits expense in the Statement of Profit and Loss. Also refer note 38.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

b. Compensated absences

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

Particulars	As at	As at
	31 March 2021	31 March 2020
	%	%
Discounting rate	4.53	5.04
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 statement of profit and loss, the funded status and amounts recognized in the balance sheet for the gratuity plans.

a) Expense recognised in Profit or Loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	2,591	2,379
Interest cost	884	860
Expected return on plan assets	-	-
Total expenses recognised in the Statement of profit and loss	3,475	3,239

b) Remeasurements recognized directly in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net actuarial (gain)/loss recognized in the year		
- From changes in demographic assumptions	(7)	1,885
- From changes in financial assumptions	411	5,699
- Experience adjustments	(735)	(4,507)
Amount recognized in other comprehensive income	(331)	3,077

c) Change in present value of benefit obligation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of obligation as at the beginning of the year	17,515	11,232
Current service cost	2,591	2,379
Interest cost	884	860
Actuarial (gain)/loss	(331)	3,077
Benefits paid	(78)	(33)
Present value of obligation as at the end of the year	20,582	17,515

d) Amounts to be recognized in Balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of the defined benefit obligation at the end of the year	20,582	17,515
Fair value of plan assets at the end of the year	-	-
Funded status	(20,582)	(17,515)
Net liability recognized in the Balance Sheet	20,582	17,515
Current	4,001	3,510
Non-Current	16,581	14,005

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

e) The Principal assumptions used in determining the gratuity benefit obligation are as given below

Particulars	As at	As at
	31 March 2021	31 March 2020
	%	%
Discounting rate (i)	4.53	5.04
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	As at
	31 March 2021	31 March 2020
Retirement Age (years)	58	58
Mortality Table	IALM (2012-2014) ultimate table	IALM (2006-2008) ultimate table
Withdrawal Rate	%	%
Ages		
Up to 30 Years		
Corporate location	21	21
Bangalore location	49	49
Chennai location	67	67
From 31 to 44 years		
Corporate location	21	21
Bangalore location	49	49
Chennai location	67	67
Above 44 years		
Corporate location	21	21
Bangalore location	49	49
Chennai location	67	67

f) The Company best estimates of expense for the next year is INR 4,001 (31 March 2020 - INR 3,116).

iii. 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 2021		31 March 2020	
	Increase *	Decrease *	Increase *	Decrease *
Discount rate (0.5% movement)	(398)	415	(337)	351
Future salary growth (0.5% movement)	409	(397)	348	(337)

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

g) Maturity profile of defined benefit obligation

Year	As at	As at
	31 March 2021	31 March 2020
April 2020- March 2021	-	3,510
April 2021- March 2022	4,001	437
April 2022- March 2023	3,445	270
April 2023- March 2024	2,748	157
April 2024- March 2025	2,189	91
April 2025- March 2026	1,728	50
April 2025 onwards	1,361	-
April 2026 onwards	5,110	13,000
	<u>20,582</u>	<u>17,515</u>
	For the year ended 31 March 2021	For the year ended 31 March 2020

33 Finance costs

Interest expense on financial liabilities carried at amortised cost		
- Term loans*	512,664	475,165
- Fully Compulsory Convertible Debentures (FCCDs)	173,258	158,486
- Non Convertible Debentures (NCDs)	9,534	-
- Vehicle loan	854	953
- Others	1,534	9,929

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

- Loan from subsidiary	38,644	25,972
Unwinding of discount on asset retirement obligation	165	116
Interest expense on lease liability	3,053	2,962
Other finance cost	11,321	26,033
	<u>751,027</u>	<u>699,616</u>

*Net of interest income on fixed deposits of INR 1,850 (31 March 2020 - INR 1,133) made out of loan funds.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
34 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	82,877	92,994
Depreciation of Right-to-use assets	12,635	9,032
Amortisation of intangible assets	5,636	5,844
	<u>101,148</u>	<u>107,870</u>
35 Other expenses		
Rates and taxes	15,207	13,793
Consumption of stores and supplies	8,840	14,035
General administration expenses	4,496	5,868
Guest transportation	9,082	13,775
Rent (refer note 48)	116	729
Electricity and water expenses	31,067	45,154
Cable and satellite television	587	854
Linen and uniforms	75	261
Training expenses	1,322	4,907
Repair and maintenance		
- Building	11,755	16,023
- Plant and machinery	5,111	5,363
- Others	7,657	12,557
Insurance	3,469	4,236
Travelling and conveyance	2,909	9,713
Communication	5,994	10,480
Legal and professional fees	57,220	25,438
Commission	5,242	5,804
Management and incentive fees	11,878	17,554
Contractual labour	2,341	10,727
Allowance for doubtful trade receivables	-	2,652
Payment to auditors*	2,316	39,703
Government grants written off	1,591	-
Advertisement and sales promotion	8,309	17,934
Net loss on foreign exchange transactions	-	910
Loss on fair valuation of derivative component of FCCDs (refer note 7)	-	3,973
Miscellaneous expenses	3,623	4,124
	<u>200,207</u>	<u>286,567</u>
* Payment to auditors		
Statutory audit	2,200	2,200
Other services #	50	34,806
Reimbursement of expenses #	66	2,697
	<u>2,316</u>	<u>39,703</u>
# Includes audit fee amounting to INR 37,321 which has been included in Initial Public Offering (IPO) related costs under Note 37.		
36 Exceptional items		
Initial Public Offering (IPO) related costs *	-	170,534
Provision for impairment in value of property, plant and equipment and intangible assets (refer note 51)	-	83,416
Provision for impairment in value of investments in subsidiaries (refer note 52)	-	4,169,424
	<u>-</u>	<u>4,423,374</u>

* Represents cost incurred in relation to Company's plan of raising funds from capital market through IPO.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

37 Earnings per share (EPS)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net (loss) / profit available to equity shareholders	(558,614)	(4,171,136)
Weighted average number of equity shares for calculation of basic EPS #	76,270,704	75,621,238
Weighted average number of equity shares for calculation of diluted EPS * #	76,270,704	75,621,238
Nominal value of equity share (INR) #	1	1
Basic earnings per share (INR)	(7.32)	(55.16)
Diluted earnings per share (INR)	(7.32)	(55.16)

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

Also refer note 49.

38 Contingent liabilities and commitments
(to the extent not provided for)

	As at 31 March 2021	As at 31 March 2020
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	3,272

Contingent liabilities

In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund 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. In the previous year ended 31 March 2019, the Company had made a provision for provident fund contribution for the year 2018-19 in the books of accounts amounting to INR 2,334. During the previous year, based on legal advice, the Company has reversed the provision made for the period April 2019 to February 2019 amounting to INR 2,312.

The Company has received an assessment order for financial year 2015-16 whereby an addition of INR 18,128 has been made to the total income of the Company. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal. Based on the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no provision is required to be created in the books.

39 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

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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

40 Related party disclosures

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

Description of relationship	Name of the Party
Entities with joint control	Blue Chandra Pte Limited GTI Capital Alpha Private Limited Goldman Sachs Investment Holding (Asia) Ltd.
Subsidiaries	SAMHI JV Business Hotels Private Limited SAMHI Hotels (Gurgaon) Private Limited Barque Hotels Private Limited SAMHI Hotels (Ahmedabad) Private Limited CASPIA Hotels Private Limited Ascent Hotels Private Limited Argon Hotels Private Limited # Paulmech Hospitality Private Limited

(b) Other related parties with whom transactions have taken place:

Description of relationship	Name of the Party
Key managerial personnel (KMP)	Ashish Jakhanwala (Managing director and CEO) Rajat Mehra (Chief Financial Officer w.e.f 22 August 2019)
Enterprises in which KMP have control or exercise significant influence (Ashish Jakhanwala)	School of Hospitality India Private Limited

(c) Related parties transactions during the year:

Particulars	Entities with joint control		Subsidiary		Key managerial personnel (KMP) & Enterprises in which KMP have control or exercise significant influence	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unsecured loan given - loan portion						
Ascent Hotels Private Limited	-	-	-	43,900	-	-
Argon Hotels Private Limited	-	-	36,200	77,900	-	-
Repayment of unsecured loan						
Argon Hotels Private Limited	-	-	747,080	10,000	-	-
Unsecured loan received - loan portion						
SAMHI JV Business Hotels Private Limited	-	-	-	135,658	-	-
Repayment of unsecured loan received - loan portion						
SAMHI JV Business Hotels Private Limited	-	-	56,799	-	-	-
Concessional interest component of loan from subsidiary (net of tax)						
SAMHI JV Business Hotels Private Limited	-	-	-	299,584	-	-
Interest expense						
SAMHI JV Business Hotels Private Limited	-	-	38,644	25,972	-	-
Interest income on unsecured loan						
Argon Hotels Private Limited	-	-	289,428	294,655	-	-
Ashish Jakhanwala	-	-	-	-	3,031	3,031
Unsecured loan given - directly recognised as deemed investment						
SAMHI Hotels (Gurgaon) Private Limited	-	-	92,100	24,100	-	-
CASPIA Hotels Private Limited	-	-	146,466	124,822	-	-
Ascent Hotels Private Limited	-	-	142,450	-	-	-
Barque Hotels Private Limited	-	-	536,166	335,000	-	-
Loss on early repayment of loan to subsidiary company - directly recognised as deemed investment						
SAMHI JV Business Hotels Private Limited	-	-	37,823	-	-	-

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

(c) Related parties transactions during the year:

Particulars	Entities with joint control		Subsidiary		Key managerial personnel (KMP) & Enterprises in which KMP have control or exercise significant	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Repayment of unsecured loan given - directly adjusted through deemed investment						
SAMHI Hotels (Ahmedabad) Private Limited	-	-	20,000	-	-	-
Modification in terms of loan given - reclassified to deemed investment						
Ascent Hotels Private Limited	-	-	172,802	-	-	-
Reimbursement of expenses from						
Argon Hotels Private Limited	-	-	2,590	3,027	-	-
SAMHI JV Business Hotels Private Limited	-	-	914	-	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	300	-	-	-
Provision for impairment in value of investments						
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	298,036	-	-
Barque Hotels Private Limited	-	-	-	1,241,032	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	990,738	-	-
CASPIA Hotels Private Limited	-	-	-	1,249,570	-	-
Ascent Hotels Private Limited	-	-	-	370,048	-	-
Argon Hotels Private Limited	-	-	-	20,000	-	-
Sale of Services - Recreation and other services (excluding taxes)						
SAMHI JV Business Hotels Private Limited	-	-	17,051	51,293	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	11,416	19,446	-	-
Barque Hotels Private Limited	-	-	20,804	51,533	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	28,618	53,404	-	-
CASPIA Hotels Private Limited	-	-	24,131	36,890	-	-
Ascent Hotels Private Limited	-	-	30,574	53,987	-	-
Argon Hotels Private Limited	-	-	37,430	31,367	-	-
Issue of equity share capital (including premium)						
GTI Capital Alpha Private Limited	-	93,446	-	-	-	-
Goldman Saches Investments Holding (Asia) Limited	-	188,750	-	-	-	-
Advances provided						
Rajat Mehra	-	-	-	-	-	2,500
Key management personnel compensation						
Ashish Jakhanwala						
Short-Term employee benefits	-	-	-	-	38,868	39,845
Post-employment benefits *	-	-	-	-	363	1,268
Rajat Mehra						
Short-Term employee benefits	-	-	-	-	14,836	7,238
Post-employment benefits *	-	-	-	-	180	355

* Gratuity and compensated absences have been provided on an actuarial basis for the Company as a whole. Accordingly, separate figures are not available on an individual basis and, thus, not included.

During the year ended 31 March 2021, the company has issued Non Convertible Debenture to GTI Capital Epsilon Private Limited and Mercer Investments (Singapore) Pte. Ltd. of amounting to INR 150,000 and INR 720,000 respectively. GTI Capital Epsilon Private Limited and Mercer Investments (Singapore) Pte Ltd. are related parties of equity shareholder of the company i.e. GTI Capital Alpha Private Limited and Goldman Saches Investments Holding (Asia) Limited respectively.

In addition to transactions above,

- refer note 20 (a) in respect of security provided by subsidiary for loan from Standard Chartered Bank.

- refer note 20 (b) in respect of security provided by subsidiaries for loans from Piramal Capital and Housing Finance Limited.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

(d) Related party balances outstanding as at year end

Particulars	Entities with joint control		Subsidiary		Key managerial personnel (KMP)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unsecured loan (including accrued interest)						
Argon Hotels Private Limited	-	-	2,731,474	3,155,820	-	-
Ascent Hotels Private Limited	-	-	-	172,802	-	-
Other loans and advances (including accrued interest)						
Ashish Jakhanwala	-	-	-	-	41,790	38,759
Rajat Mehra	-	-	-	-	2,500	2,500
Investment in equity shares						
SAMHI JV Business Hotels Private Limited	-	-	1,617,049	1,617,049	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	721,323	721,323	-	-
CASPIA Hotels Private Limited	-	-	114,848	114,848	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	615,997	615,997	-	-
Barque Hotels Private Limited	-	-	1,084,124	1,084,124	-	-
Ascent Hotels Private Limited	-	-	1,196,000	1,196,000	-	-
Argon Hotels Private Limited	-	-	20,000	20,000	-	-
Provision for impairment in value of investments						
SAMHI Hotels (Gurgaon) Private Limited	-	-	298,036	298,036	-	-
Barque Hotels Private Limited	-	-	1,241,032	1,241,032	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	990,738	990,738	-	-
CASPIA Hotels Private Limited	-	-	1,249,570	1,249,570	-	-
Ascent Hotels Private Limited	-	-	370,048	370,048	-	-
Argon Hotels Private Limited	-	-	20,000	20,000	-	-
Investment in 0.001% Compulsorily Convertible Preference Shares (CCPS)						
SAMHI Hotels (Ahmedabad) Private Limited	-	-	1,260,000	1,260,000	-	-
Investment in 10% unsecured fully compulsorily convertible debentures - deemed investment						
Barque Hotels Private Limited	-	-	955,763	955,763	-	-
Trade payables						
SAMHI JV Business Hotels Private Limited	-	-	727	354	-	-
SAMHI (Ahmedabad) Hotels Private Limited	-	-	513	-	-	-
Trade receivables						
SAMHI JV Business Hotels Private Limited	-	-	19,950	33,150	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	1,857	75,106	-	-
Barque Hotels Private Limited	-	-	14,297	138,407	-	-
Ascent Hotels Private Limited	-	-	5,771	87,718	-	-
CASPIA Hotels Private Limited	-	-	233	138,580	-	-
SAMHI (Ahmedabad) Hotels Private Limited	-	-	18,931	4,547	-	-
Argon Hotels Private Limited	-	-	-	56,299	-	-
Deemed investment - Unsecured loan						
SAMHI Hotels (Ahmedabad) Private Limited	-	-	555,488	575,488	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	359,542	267,442	-	-
CASPIA Hotels Private Limited	-	-	2,667,423	2,520,957	-	-
Barque Hotels Private Limited	-	-	2,196,478	1,660,312	-	-
SAMHI JV Business Hotels Private Limited	-	-	37,823	-	-	-
Ascent Hotels Private Limited	-	-	315,252	-	-	-
Unsecured loan received - loan portion						
SAMHI JV Business Hotels Private Limited	-	-	345,205	325,536	-	-

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

(d) Related party balances outstanding as at year end

Particulars	Entities with joint control		Subsidiary		Key managerial personnel (KMP)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Deemed investment - Overdraft facilities at concessional rate						
SAMHI Hotels (Ahmedabad) Private Limited	-	-	4,896	4,896	-	-
Barque Hotels Private Limited	-	-	18,690	18,690	-	-
Current financial assets - Others						
-Other receivables						
CASPIA Hotels Private Limited	-	-	332	332	-	-
Argon Hotels Private Limited	-	-	2,147	16,869	-	-
SAMHI (Ahmedabad) Hotels Private Limited	-	-	819	819	-	-

The Company has provided undertaking on behalf of SAMHI Hotels (Ahmedabad) Private Limited, CASPIA Hotels Private Limited, Ascent Hotels Private Limited, Barque Hotels Private Limited, SAMHI JV Business Hotels Private Limited and SAMHI Hotels (Gurgaon) Private Limited in respect of loans obtained from Banks/Financial institutions. Further, corporate guarantee has been provided 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 corporate guarantee has been provided to IHG (India) Private Limited and IHG (Asia) Pacific Pte Ltd [Operators 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	As at
	31 March 2021	31 March 2020
Barque Hotels Private Limited	15,323,514	15,323,514
CASPIA Hotels Private Limited	5,400,000	5,400,000
Ascent Hotels Private Limited	127,801,485	127,801,485
SAMHI JV Business Hotels Private Limited	124,779,999	124,779,999

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and are settled in cash. For the year ended 31 March 2021 and 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

41 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.

	31 March 2021		
	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets			
Non-current			
Loans	-	-	2,789,069
Others	3,302	-	57,285
Current			
Trade receivables	-	-	92,843
Cash and cash equivalents	-	-	664,217
Other bank balances	-	-	-
Loans	-	-	-
Others	-	-	14,847
Total financial assets	3,302	-	3,618,260
Financial liabilities			
Non-current			
Borrowings	-	-	5,696,914
Lease liabilities	-	-	21,885
Others	20,421	-	-
Current			
Borrowings	-	-	6,607
Trade payables	-	-	163,067
Lease liabilities	-	-	18,132
Others	-	-	1,138,005
Total financial liabilities	20,421	-	7,044,609

	31 March 2020		
	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets			
Non-current			
Loans	-	-	3,170,416
Others	615	-	108,152
Current			
Investments	-	-	-
Trade receivables	-	-	577,267
Cash and cash equivalents	-	-	471,533
Other bank balances	-	-	53
Loans	-	-	211,561
Others	-	-	33,945
Total financial assets	615	-	4,572,927
Financial liabilities			
Non-current			
Borrowings	-	-	4,717,901
Lease Liabilities	-	-	15,378

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

Current			
Borrowings	-	-	22,781
Trade payables	-	-	127,975
Lease Liabilities			7,533
Others	-	-	1,617,569
Total financial liabilities	-	-	6,509,137

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

Financial assets and liabilities measured at fair value- recurring fair value measurements

	As at 31 March 2021	As at 31 March 2020
Financial Assets		
Non-current financial assets - Others (Level 3) #	3,302	615

Represents fair value of Derivative component of IFC FCCDs.

Financial Liabilities

Non-current investments (Level 2)		
Non-current investments (Level 3) *		
Non-current financial liabilities - Others (Level 3) *	20,421	-

* Represents fair value of Derivative component of NCDs.

Financial assets and liabilities measured at amortised cost- Fair value measurements

	As at 31 March 2021	As at 31 March 2020
Financial Assets		
Non-current loans (Level 3) *	57,472	14,441
Financial Liabilities		
Non-current Borrowings (Level 3) **	2,132,798	1,773,114
Non-current Borrowings (Level 3) ***	331,317	298,335
Non-current Borrowings (Level 3) ****	850,862	-

* Represents fair value of security deposits

** Represents fair value of IFC FCCDs.

*** Represents fair value of loan from subsidiary

**** Represents fair value of NCCD

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

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

Fair value of bank deposits included in non-current other financial assets, advances to Key Managerial Personnel are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

B. Measurement of fair values

The different levels of fair value have been defined below:

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers in either direction for the years ended 31 March 2021 and 31 March 2020, except as disclosed above.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- the use of quoted market prices (NAV) for valuation of current investments (Mutual funds).
- the fair value for non-current loans and loan from subsidiary is calculated based on cash flows discounted using current lending rate.
- the fair value for derivative component of IFC FCCDs is calculated using Binomial option pricing model.
- the fair value for IFC FCCDs is calculated based on cash flows of interest payments discounted using current lending rate and equity value using a discounted cash flow approach
- the fair value for derivative component of NCD's is calculated using Discounted cash flow method.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

D. Details of significant unobservable inputs for measurement of fair values

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
A. Financial assets and liabilities measured at fair value	
Derivative component of IFC FCCDs (Other non-current financial assets)	
Growth rate (31 March 2021 - 3.00% ; 31 March 2020 - 3.50%)	The estimated fair value would increase (decrease) if the annual growth rate was higher (lower)
WACC rate (31 March 2021 - 11.21% ; 31 March 2020 - 10.54%)	The estimated fair value would decrease (increase) if the WACC rate was higher (lower)
Volatility rate (31 March 2021 - 44.05% ; 31 March 2020 - 42.21%)	The estimated fair value would increase (decrease) if the volatility rate was higher (lower)
Derivative component of NCDs (Other non-current financial assets)	
WACC rate (31 March 2021 - 20.50% ; 31 March 2020 - Nil)	The estimated fair value would decrease (increase) if the WACC rate was higher (lower)
B. Financial assets and liabilities measured at amortised cost	
Security deposits and inter corporate loans (Non-current loans)	
Risk adjusted discount rate	
IFC FCCDs (Non-current borrowings)	
Risk adjusted discount rate, Growth rate, WACC	
NCDs (Non-current borrowings)	
Risk adjusted discount rate, Growth rate, WACC	

E. Sensitivity analysis of Level 3 fair values

(a) For the fair value of derivative component of IFC FCCDs, reasonably possible changes at the reporting date due to one of the significant unobservable inputs, holding other inputs constant, would have following effects.

	Profit or (loss) / Equity, net of tax	
	Increase	Decrease
31 March 2021		
Growth rate (0.5% movement)	783	(696)
WACC rate (0.5% movement)	(1,283)	3,757
Volatility rate (0.5% movement)	202	(206)
31 March 2020		
Growth rate (0.5% movement)	749	(356)
WACC rate (0.5% movement)	(439)	1,358
Volatility rate (0.5% movement)	180	(185)

(b) For the fair value of derivative component of NCDs, reasonably possible changes at the reporting date due to one of the significant unobservable inputs, holding other inputs constant, would have following effects.

	Profit or (loss) / Equity, net of tax	
	Increase	Decrease
31 March 2021		
YTM (1% movement)	19,792	(21,075)

F. Reconciliation of Level 3 fair values

	Amount
Derivative component of IFC FCCDs	
Balance as at 1 April 2019	4,588
Net change in fair value recognised in Statement of Profit and Loss (refer note 36)	(3,973)
Balance as at 31 March 2020	615
Net change in fair value recognised in Statement of Profit and Loss (refer note 30)	2,687
Balance as at 31 March 2021	3,302

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees ('000), unless otherwise stated)

Derivative component of NCDs

Balance as at 31 March 2020	-
Fair value of derivative component recognised during the year	<u>20,421</u>
Balance as at 31 March 2021	<u>20,421</u>

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

42. Financial instruments – Fair values and risk management (continued)

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 and investment in mutual funds, only high rated banks/institutions and mutual funds 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 loan / FCCDs / other receivable balances outstanding as at year end from its subsidiaries/KMP. Further, the Company has recognised government grant recoverable in respect of export incentives. The Company does not expect any default from these parties and accordingly the risk of default is negligible or nil.

Derivatives includes derivative component of IFC FCCDs and NCDs. The Company considers that this has a low credit risk as this transaction is with a party of high repute.

In respect of credit exposures from trade receivables/unbilled revenue, 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 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.

During the period, the Company has made no write-offs of trade receivables.

Reconciliation of loss allowance provision

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	3,654	1,001
Changes in loss allowance	(564)	2,652
Closing balance	3,090	3,654

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.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

42. Financial instruments – Fair values and risk management (continued)

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. Refer note 54 which covers liquidity risk management of the Company.

(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.

31 March 2021	Carrying amount	Contractual cash flows				
		Total	0-1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current borrowings * \$	5,696,914	5,193,656	-	232,229	2,548,547	2,412,879
Lease liabilities	40,017	45,330	18,132	18,132	9,066	-
Current borrowings \$	6,607	6,607	6,607	-	-	-
Trade payables	163,067	163,067	163,067	-	-	-
Other current financial liabilities \$	1,138,005	1,138,005	1,138,005	-	-	-
	7,044,609	6,546,664	1,325,811	250,361	2,557,614	2,412,879

31 March 2020	Carrying amount	Contractual cash flows				
		Total	0-1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current borrowings *	4,717,901	4,281,701	-	1,641,181	915,837	1,724,683
Lease liabilities	22,911	29,505	9,339	3,437	11,129	5,600
Current borrowings	22,781	22,781	22,781	-	-	-
Trade payables	127,975	127,975	127,975	-	-	-
Other current financial liabilities	1,617,569	1,619,375	1,619,375	-	-	-
	6,509,137	6,081,337	1,779,470	1,644,618	926,966	1,730,283

* Non-current borrowings include IFC FCCDs amounting to INR 1,260,000. There is no liquidity risk on these instruments as these are convertible into equity shares. Accordingly, the same is not considered in the above disclosure. Further, the management of the Company intends to pay interest accrued on such FCCDs upon expiry of 7 years from IFC subscription date which has been disclosed accordingly.

\$ The details disclosed are after considering the impact 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.

(b) Financing arrangements

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

	As at 31 March 2021	As at 31 March 2020
Floating rate		
Overdraft facilities from bank	43,335	27,219
Term loans from banks/ financial institutions	60,635	60,635
	103,970	87,852

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

42. Financial instruments – Fair values and risk management (continued)

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 of 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 2021 USD in thousand	31 March 2020 USD in thousand
Financial liabilities		
Trade payables	1,343	745
	<u>1,343</u>	<u>745</u>
	31 March 2021 INR in thousand	31 March 2020 INR in thousand
Financial liabilities		
Trade payables	98,723	56,323
	<u>98,723</u>	<u>56,323</u>

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.

Effect in INR	(Profit) or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
1% movement				
USD	987	(987)	739	(739)
	<u>987</u>	<u>(987)</u>	<u>739</u>	<u>(739)</u>
Effect in INR	(Profit) or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
1% movement				
USD	563	(563)	421	(421)
	<u>563</u>	<u>(563)</u>	<u>421</u>	<u>(421)</u>

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

42. Financial instruments – Fair values and risk management (continued)

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 2021	31 March 2020
Fixed-rate instruments		
Financial assets - Bank deposits	57,285	80,448
Financial liabilities - IFC FCCDs	2,155,680	1,823,836
Financial liabilities - Vehicle loans	3,952	9,293
	<u>2,216,917</u>	<u>1,913,577</u>
Variable-rate instruments		
Financial liabilities - Overdraft facility from bank	6,607	264,102
Financial liabilities - Term loan from bank	2,380,187	2,721,122
Financial liabilities - Term loan from institutions	1,032,827	638,125
	<u>3,419,622</u>	<u>3,623,349</u>
Total	<u><u>5,636,539</u></u>	<u><u>5,536,926</u></u>

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.

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) or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2021				
Variable-rate instruments	41,363	(41,363)	41,363	(41,363)
Cash flow sensitivity (net)	<u>41,363</u>	<u>(41,363)</u>	<u>41,363</u>	<u>(41,363)</u>
31 March 2020				
Variable-rate instruments	32,467	(32,467)	24,026	(24,026)
Cash flow sensitivity (net)	<u>32,467</u>	<u>(32,467)</u>	<u>24,026</u>	<u>(24,026)</u>

43. 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 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 a group level.

As a part of its capital management policy, the Company ensures compliance with all covenants and other capital requirements related to regulatory or contractual obligations of material consequence to the Company. Also, refer note 54.

44. 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 financial statements, particularly on the amount of tax

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

45 Disclosure as per Ind AS 27 - Separate Financial Statements

Name of subsidiaries	Principal activity	Principal place of business	Ownership interest	
			31 March 2021	31 March 2020
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.

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

	As at 31 March 2021	As at 31 March 2020
Dues to micro and small suppliers		
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	-	-
Interest	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest paid under the act beyond the appointed day during the year	-	-
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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
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 the Act	-	-

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 2020 and 31 March 2019 has been made in the financial statements based on information received and available with the Company.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

47 Share-based payments (Equity settled)

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 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) *
Scheme 1:				
Options granted to senior employees on 21 November 2016				
Tranche 1	1,099,020	130.00	- 60% by Grant date - 40% by 31 December 2016	7.36
Tranche 1	539,470	130.00	- 30% by Grant date - 30% by 31 December 2016 - 40% by 31 December 2017	7.36
Tranche 2	275,790	115.40	- 30% by Grant date - 30% by 26 November 2017 - 40% by 26 November 2018	7.36
Tranche 3	124,400	191.90	- 10% by Grant date - 20% by 22 September 2017 - 30% by 22 September 2018 - 40% by 22 September 2019	7.36
Scheme 2:				
Options granted to senior employees on 21 March 2017				
	560,000	224.80	- 30% by 20 March 2018 - 30% by 20 March 2019 - 40% by 20 March 2020	7.03

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.

* Contractual life of options has been disclosed based on the assumption that management expects the liquidity event to arise by 31 March 2024.

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 2021		For the year ended 31 March 2020	
	Number of options	Weighted Average Exercise Price (INR)	Number of options	Weighted Average Exercise Price (INR)
Options outstanding at beginning of year	2,598,680	151.80	2,598,680	151.80
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options lapsed during the year	126,380	221.97	126,380	221.97
Options expired during the year	-	-	-	-
Options outstanding at the end of year	2,472,300	148.26	2,598,680	151.80
Options exercisable at the end of year	-	-	-	-

The options outstanding at the end of year had exercise prices in the range of Rs. 115.40 to Rs 224.80 and a weighted average remaining contractual life of up to 0.29 years (31 March 2019: 0.29 to 1.29 years).

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

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.

For the purpose of fair value measurement, the Company has considered liquidity event to arise by 31 March 2019 or 31 March 2020.

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 life (in years)	0 to 2.36 or 0 to 3.36	0 to 2.36 or 0 to 3.36	0 to 2.36 or 0 to 3.36	0 to 2.03 or 0 to 3.03
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 has been considered based on the assumption that management expects the liquidity event to arise by 31 March 2019 or 31 March 2020. 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.

In accordance with the above mentioned Scheme, INR Nil (31 March 2020 - INR Nil) has been charged to the Statement of Profit and Loss in relation to the options vested during the year as share based payment expense. Further, during the current year ended 31 March 2021, share based payment liability has been written back amounting to INR Nil (31 March 2020 - INR 554).

The details as mentioned above have been adjusted for sub-division of equity shares as mentioned in Note 49.

Further, for the year ended 31 March 2021, the board of directors of the Company has approved that there would be no further grant of options under the Plan.

48 Lease disclosures

The Company has adopted Ind AS 116, effective annual reporting period 1 April 2019 and applied the standard to its leases using modified retrospective approach, with the cumulative effect of applying the standard, recognised on the date of the initial application i.e. 1 April 2019. Accordingly, the Company has not restated the comparative information, instead the cumulative effect of initially applying this standard has resulted in recognising a right-to-use of INR 26,644 and lease liability of INR 35,115 by adjusting retained earnings net of taxes of INR 6,339 [the impact of deferred tax asset created INR 2,132] as at 1 April 2019. In the Statement of Profit and Loss for the year ended 31 March 2020, the nature of expenses in respect to operating leases has changed from lease rent (in other expenses) into depreciation cost against the right-of-use assets and finance cost against interest accrued on lease liability.

The impact on the Statement of Profit and Loss for the year ended 31 March 2021 is as below:

Particulars	For the year ended 31 March 2021
Rent lowered by	12,153
Depreciation is higher by	12,635
Finance cost is higher by	3,053
Loss before tax is higher by	(3,534)
The total cash outflow for leases during the year	12,153

The Company has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is 10% for measuring the lease liability.

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2021:

Particulars	As at 31 March 2021
0-1 year	18,132
1-2 years	18,132
2-5 years	9,066
More than 5 years	-
Total Lease payments	45,330

The reconciliation of lease liabilities is as follows:

Particulars	As at 31 March 2021
Balance as at 1 April 2020	22,911
Additions	42,370
Amounts recognized in statement of profit and loss as interest expense	3,053
Payment of lease liabilities	(12,153)
Reversals during the year	(16,301)
Balance as at 31 March 2021 (Refer Note 21 and 24)	39,881

The leases entered by the Company are long term in nature and the underlying leased properties are being used as offices.

49 The shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on 2 August 2019, approved the following:

- conversion of company from "Private Limited" to "Public Limited" and consequently the name of the company be changed from SAMHI Hotels Private Limited to SAMHI Hotels Limited by deleting the word (Private) before (Limited).
- increase of the existing authorized share capital of the company from INR 100,000 to INR 130,000.
- sub-division of the existing authorized share capital of the company comprising of 10,000,000 equity shares of Rs 10 each to 100,000,000 equity shares of Re. 1 each.

50 New standards and interpretations, not yet adopted

On 24 March 2021, the ministry of corporate affairs ("MCA") through a notification, amended schedule III of the companies act 2013 revising Division I, II and III and are applicable from 1 April 2021. This amendment preliminary related to:

- Change in existing presentation requirement for certain items in Balance sheet for e.g. lease liability security deposit, current maturities of long-term borrowing, effect of prior period error on equity share capital;
- Additional disclosure requirements in specified format, for e.g. aging of trade receivable trade payable capital work in progress, intangible assets shareholding of promoters, etc;
- Disclosure if fund have been used other than the specified purpose for which it was borrowed from bank and financial institutions;
- Additional regulatory information for e.g. compliance with layers of companies, title deed of immoveable property financial ratios, loans and advances for key managerial personal etc;

51 Impairment of asset

Impairment testing for cash-generating units not containing goodwill

In accordance with Indian Ind AS 36 "Impairment of Assets", the Company has 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 as at 31 March 2020 is value in use of the hotel and is based on discounted cash flow method is 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 for the hotels in the current year, the written down value of certain hotels as at 31 March 2020 has been reduced to recoverable values as mentioned below:

Asset	Carrying value	Recoverable value	Impairment loss
Fairfield by Marriott - Bangalore	1,121,998	1,038,582	83,416

In view of the management, the primary reasons for recognition of impairment loss in respect to the aforementioned hotel property are high carrying value of property, plant and equipment due to fair value gain on land recorded in books in prior years and certain operational issues at the hotel as a result of impact of COVID-19. Also, refer note 53. For the year ended 31 March 2021, the Company has not recorded any impairment.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

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

Assumptions

	<u>31 March 2020</u>
Discount rate	11.40%
Average Room Revenue (ARR) growth rate	(22.5%) to 14.6%
Occupancy rate	16.3% to 85.0%

The discount rate is estimated based on the historical industry average weighted average cost of capital.

The cash flow projections include specific estimates for six years and an Exit multiple thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual growth rate, consistent with the assumptions that a market participant would make.

Management has identified that a reasonably possible change in the key assumptions could cause a change in amount of Impairment loss. The following table shows the amount by which the Impairment loss would change on change in these assumptions, all other factors remaining constant.

Increase/ (Decrease) in Impairment loss	For the year ended 31 March 2020
Discount Rate	
Increase by 1%	52,684
Decrease by 1%	(56,013)
Average Room Revenue (ARR) growth rate	
Increase by 1%	(35,380)
Decrease by 1%	45,436
Occupancy rate	
Increase by 5%	(98,342)
Decrease by 5%	111,829

52 Impairment in value of investments

The Company has long-term investment in subsidiary which is 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 higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available. 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, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates 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. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

During the previous year ended 31 March 2020, the performance of subsidiaries along with the relevant economic and market indicators including the impact of uncertainties arising from Covid-19 resulted in indicators of impairment. Accordingly, the Company determined the recoverable amount for the investments and recorded a provision for impairment of INR 4,169,424 for the previous year ended 31 March 2020. The value-in-use calculation use discount rate 11.40% and the terminal growth rates ranging from 4.0% - 5.0%.

53 Impact of COVID-19

On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lockdowns' across the country, from March 22, 2020, and extended time to time. The business has been severely impacted during the year on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year and a significant number of the Company's hotels had to be shut down. With the unlocking of restrictions, all the Company's hotels have been opened and business is expected to gradually improve across all hotels. During the second half of the year, the Company witnessed some signs of recovery of demand, especially in leisure destinations. Whilst there has been a subsequent waves of the COVID-19 pandemic starting from April 2021, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation. The Company has also assessed the possible impact of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees('000), unless otherwise stated)

54 Going Concern

The Company is facing liquidity challenges which have been created by uncertainty due to COVID. The Company incurred a net loss of INR 558,283 during the year ended 31 March 2021 and, as of that date, the Company's current liabilities exceeded its current assets by INR 608,754. The Company has been largely funded by loans from banks/ financial institutions and there are significant repayments due of INR 1,083,017 (including interest accrued and due) within 12 months of the balance sheet date.


The Company's ability to continue as a going concern is dependent on approval of application to lenders under Emergency Credit Line Guarantee Scheme and the ability to generate profits from operations which are subject to COVID- 19 related material uncertainties. Further, loans and related obligations in other group entities have cross default clauses which may impact the Company.

Subsequent to the balance sheet date, till the date of signing of these financial statements, the Company has met its short term obligation of INR 1,032,827 that were due within 12 months. It has made application to lender under Emergency Credit Line Guarantee Scheme for INR 798,420, out of which INR 310,000 is pending approval. The Management is confident that defaults, if any, in compliance with loan covenants in other group entities will not have any adverse impact on the Company. Further, the business has also picked up with increase in the occupancy rates in quarters subsequent to the balance sheet date.

In view of the above, the management and the Board of Directors believe that the Company will be able to meet all its contractual obligations and liabilities as and when they fall due and accordingly, these financial statements have been prepared on a going concern basis. Also, refer note 53 on impact of COVID-19.

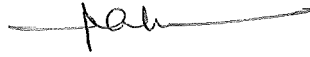
As per our report of even date attached

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

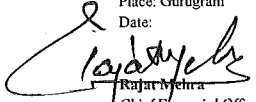

Vikram Advani
Partner
Membership No.: 091765

Place: Gurugram
Date: 14 FEB 2022


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


Ashish Jakhanwala
Managing Director and CEO
DIN:03304345

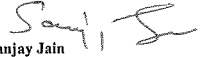
Place: Gurugram
Date:


Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date: 14 FEB 2022


Manav Thadani
Director
DIN:00534993

Place: Gurugram
Date:


Sanjay Jain
Senior Director-Corporate Affairs
& Company Secretary
Membership No.: F6137

Place: Gurugram
Date: 14 FEB 2022