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Independent Auditors Report

To the Members of Ascent Hotels Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ascent Hotels Private Limited (the "Company") which comprise the balance sheet as at 31 March 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2022, and its 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 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 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 financial statements.

Emphasis of Matter

We draw attention to Note 38 to the financial statements, which explains the management's assessment of going concern assumption and financial impact on account of COVID-19 pandemic situation and its assertion that based on best estimates made by it, the Company will continue as a going concern i.e. continue its operations and will be able to discharge its liabilities and realise its assets, for the foreseeable future.

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 directors' report, but does not include the financial statements and our auditor's report thereon.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 32 to the financial statements.

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

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

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43(v) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

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

In our opinion and according to the information and explanations given to us, no remuneration has been paid or payable by the Company to its directors during the current year. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

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

Chartered Accountants

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

Vikram Advani

Partner

Membership No.: 091765

ICAI UDIN:22091765ATJEON1696

Place: New Delhi

Date: 20 September 2022

Annexure A to the Independent Auditor's Report on the Financial Statements of Ascent Hotels Private Limited for the year ended 31 March 2022

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

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

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property disclosed in the financial statements is held in the name of the Company. However, original title deed is under lien with bank for the loan facilities availed by the Company. Therefore, we could not verify that title deed and have not received independent confirmation from bank.

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Refer Note 43(i) to the financial statements.

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

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

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

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided guarantee and security to another entity as below:

Particulars	Guarantees (Amount in '000)	Security (Amount in '000)	Loans (Amount in '000)	Advances in nature of loans (Amount in '000)
Aggregate amount during the year Holding Company* (SAMHI Hotels Limited)	1,600,000	407,890	-	-
Balance outstanding as at balance sheet date Holding Company* (SAMHI Hotels Limited)	1,600,000	407,890	-	-

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided and security given during the year and the terms and conditions of the guarantees and security provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(c), clause 3(iii)(d), clause 3(iii)(e) and clause 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security to any of the parties covered under section 185 of the Companies Act, 2013 and therefore the relevant provisions of Sections 185 are not applicable to the Company. The Company has complied with section 186(1) of the Companies Act, 2013. According to the information and explanations given to us, the provisions of Section 186 (except for sub-section (1) of the Section 186) of the Companies Act, 2013 are not applicable to the Company since the Company is engaged in the business of providing infrastructural facilities.

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Value Added Tax, Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund and Employees State Insurance. Further in respect of Income-Tax, the Company has been irregular in depositing the sum due throughout the year and the amount involved is Rs. 21,817 thousands.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Value Added Tax, Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (Rs. in '000)	Period to which the amount relates	Due date	Date of payment
Income Tax Act, 1961	TDS Liability	10,066	April 2021 to August 2021	#	Not yet paid
Income Tax Act, 1961	Interest on TDS	1,301	April 2021 to August 2021	#	Not yet paid
Central Goods and Service Tax Act, 2017 and State Goods and Service Tax Act, 2017	Interest liability on GST Reversal	1,042	July 2017 to August 2021	#	Not yet paid

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender. As at 31 March 2022, the Company also has interest free loan amounting to Rs. 315,252 thousands from the holding company, repayable at the option of the Company and accordingly classified as "Other equity". As this loan is repayable at the option of the Company, there has been no default in repayment thereof. Further, the Company also has an interest bearing loan amounting to Rs. 808,500 thousands from the holding company which is repayable after 5 years from the date of disbursement. Accordingly, there has been no default in repayment of principal or interest thereof.

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

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short-term basis for long-term purposes except for funding operations for the year.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

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

(xiii) The Company is a wholly owned subsidiary and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

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

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

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

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

Annexure A to the Independent Auditor's Report on the Financial Statements of Ascent Hotels Private Limited for the year ended 31 March 2022 *(Continued)*

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

(xvii) The Company has incurred cash losses of Rs. 584,460 thousands in the current financial year and Rs. 594,053 thousands in the immediately preceding financial year.

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

(xix) We draw attention to Note 38 to the financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2022. Further, it explains the management's assessment of going concern assumption and financial impact on account of COVID-19 pandemic situation and its assertion that based on best estimates made by it, the Company will continue as a going concern i.e. continue its operations and will be able to discharge its liabilities and realise its assets, for the foreseeable future.

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

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

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

Chartered Accountants

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

Vikram Advani

Partner

Place: New Delhi

Membership No.: 091765

Date: 20 September 2022

ICAI UDIN:22091765ATJEON1696

Annexure B to the Independent Auditor's Report on the financial statements of Ascent Hotels Private Limited for the year ended 31 March 2022

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

(Referred to in paragraph 2(A)(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 financial statements of Ascent Hotels Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the 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 financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Ascent Hotels Private Limited for the year ended 31 March 2022 *(Continued)*

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Vikram Advani

Partner

Place: New Delhi

Membership No.: 091765

Date: 20 September 2022

ICAI UDIN:22091765ATJEON1696

Ascent Hotels Private Limited
Balance Sheet as at 31 March 2022
(All amounts are in Indian Rupees ('000), unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,069,528	3,244,582
Capital work-in-progress	3	63,999	63,999
Intangible assets	4	1,395	1,600
Financial assets			
Other financial assets	5	38,067	35,775
Income tax assets (net)	6	16,714	11,712
Other non-current assets	8	-	118
Total non-current assets		**3,189,703**	**3,357,786**
Current assets			
Inventories	9	7,343	8,851
Financial assets			
Trade receivables	10	16,188	4,835
Cash and cash equivalents	11	47,899	61,440
Other financial assets	12	20,908	21,413
Other current assets	13	19,837	25,159
Total current assets		**112,175**	**121,698**
TOTAL ASSETS		**3,301,878**	**3,479,484**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,278,015	1,278,015
Other equity	15	(3,204,141)	(2,439,678)
Total equity		**(1,926,126)**	**(1,161,663)**
Non-current liabilities			
Financial liabilities			
Borrowings	16	4,503,578	2,987,759
Provisions	17	3,471	3,658
Other non-current liabilities	18	173,326	177,054
Total non- current liabilities		**4,680,375**	**3,168,471**
Current liabilities			
Financial liabilities			
Borrowings	19	312,055	928,251
Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		14,048	6,653
- total outstanding dues of creditors other than micro enterprises and small enterprises		140,031	119,013
Other financial liabilities	21	19,634	352,437
Other current liabilities	22	59,660	63,994
Provisions	23	2,201	2,328
Total current liabilities		**547,629**	**1,472,676**
TOTAL EQUITY AND LIABILITIES		**3,301,878**	**3,479,484**

The notes from Note 1 to Note 44 form an integral part of these financial statements.

As per our report of even date attached

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

Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 20 September 2022

For and on behalf of Board of Directors of
Ascent Hotels Private Limited

Rajat Mehra
Director
DIN: 06813081

Place: Gurugram
Date: 20 September 2022

Tanya Chakravarty
Director
DIN: 08539291

Place: Gurugram
Date: 20 September 2022

Vijay Kumar
Company Secretary
Membership No.: A32055

Place: Gurugram
Date: 20 September 2022

Ascent Hotels Private Limited
Statement of Profit and Loss for the year ended 31 March 2022
(All amounts are in Indian Rupees ('000), unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	24	349,371	159,951
Other income	25	4,670	10,223
Total income		**354,041**	**170,174**
Expenses			
Cost of materials consumed	26	43,547	18,143
Employee benefits expense	27	94,632	78,114
Other expenses	30	257,661	199,846
		395,840	**296,103**
Loss before finance cost, depreciation, amortisation and tax		**(41,799)**	**(125,929)**
Finance costs	28	544,771	468,124
Depreciation and amortisation expense	29	177,495	212,930
		722,266	**681,054**
Loss before tax		**(764,065)**	**(806,983)**
Tax expense	7		
Current tax		-	-
Loss for the year		**(764,065)**	**(806,983)**
Other Comprehensive Income/(loss)			
Items that will not be reclassified to profit or loss			
- Re-measurement gain/(loss) on defined benefit obligations	27	(398)	(171)
- Income tax relating to items mentioned above		-	-
Other comprehensive loss, net of tax		**(398)**	**(171)**
Total comprehensive loss for the period		**(764,463)**	**(807,154)**
Earnings per equity share	31		
Nominal value of share INR 10 [previous year INR 10]			
Basic		(5.98)	(6.31)
Diluted		(5.98)	(6.31)

The notes from Note 1 to Note 44 form an integral part of these financial statements.

As per our report of even date attached

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

Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 20 September 2022

For and on behalf of Board of Directors of
Ascent Hotels Private Limited

Rajat Mehra
Director
DIN: 06813081

Place: Gurugram
Date: 20 September 2022

Tanya Chakravarty
Director
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Place: Gurugram
Date: 20 September 2022

Vijay Kumar
Company Secretary
Membership No.: A32055

Place: Gurugram
Date: 20 September 2022

Ascent Hotels Private Limited
Statement of Changes in Equity for the year ended 31 March 2022
(All amounts are in Indian Rupees('000), unless otherwise stated)

a) Equity share capital

Particulars	Number of shares	Amount
As at 1 April 2020	127,801,486	1,278,015
Changes in equity share capital during the year	-	-
As at 31 March 2021	127,801,486	1,278,015
Changes in equity share capital during the year	-	-
As at 31 March 2022	127,801,486	1,278,015

b) Other equity (refer note 15)

Particulars	Reserves and surplus		Equity component of interest free loans from Holding Company (Refer note 19)	Other comprehensive income	Total
	Securities premium	Retained earnings		Remeasurement of defined benefit liability / asset	
Balance as at 1 April 2020	1,048,850	(2,996,626)	-	-	(1,947,776)
Profit/(loss) for the year	-	(806,983)	-	-	(806,983)
Other comprehensive income/ (loss) (net of tax)	-	-	-	(171)	(171)
Total comprehensive income	1,048,850	(3,803,609)	-	(171)	(2,754,930)
Transferred to retained earnings	-	(171)	-	171	-
Modification of financial liability made during the year	-	-	315,252	-	315,252
Balance as at 31 March 2021	1,048,850	(3,803,780)	315,252	-	(2,439,678)
Profit/(loss) for the year	-	(764,065)	-	-	(764,065)
Other comprehensive income/ (loss) (net of tax)	-	-	-	(398)	(398)
Total comprehensive income	-	(764,065)	-	(398)	(764,463)
Transferred to retained earnings	-	(398)	-	398	-
Balance as at 31 March 2022	1,048,850	(4,568,243)	315,252	-	(3,204,141)

The notes from Note 1 to Note 44 form an integral part of these financial statements.

As per our report of even date attached

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

Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 20 September 2022

For and on behalf of Board of Directors of
Ascent Hotels Private Limited

Rajat Mehra
Director
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DIN: 08539291

Place: Gurugram
Date: 20 September 2022

Vijay Kumar
Company Secretary
Membership No.: A32055

Place: Gurugram
Date: 20 September 2022

Ascent Hotels Private Limited
Statement of Cash Flows for the year ended 31 March 2022
(All amounts are in Indian Rupees ('000), unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit /(loss) before tax	(764,065)	(806,983)
	Adjustments:		
	Depreciation and amortisation	177,495	212,930
	Liabilities / provisions no longer required written back	(536)	(2,605)
	Provision for doubtful debts and advances	43	1,169
	Finance costs	544,771	468,124
	Interest income	(3,787)	(6,442)
	Government grant	727	5,268
	Loss on foreign exchange fluctuation (net)	2,110	-
	Income from operating profit before working capital changes	**(43,242)**	**(128,539)**
	Decrease in inventories	1,508	6,898
	(Increase) / decrease in trade receivables	(11,396)	10,131
	(Increase) / decrease in other financial assets	(52)	20,126
	(Increase) / decrease in other assets	5,440	(10,310)
	Increase / (decrease) in trade payables	25,839	(26,669)
	Increase / (decrease) in other liabilities	(4,930)	31,510
	(Decrease) in provisions	(712)	(1,375)
	Increase / (decrease) in other financial liabilities	(5,642)	30
	Cash generated/ (used) by operations	**(32,187)**	**(98,198)**
	Income taxes (paid) / refunded - net	(5,002)	30,264
	Net cash provided/ (used) by operating activities	**(37,189)**	**(67,934)**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and Intangible assets	(2,263)	(1,987)
	Bank deposits matured	603,397	129,897
	Bank deposits made	(605,000)	(73,011)
	Interest received	2,928	12,898
	Net cash provided/ (used) by investing activities	**(938)**	**67,797**
C.	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	935,500	142,500
	Repayment of long-term borrowings	(934,835)	(45,861)
	Proceeds received from holding company	808,500	142,450
	Finance costs paid	(784,579)	(203,801)
	Net cash provided/ (used) by financing activities	**24,586**	**35,288**
	Net increase in cash and cash equivalents (A+B+C)	**(13,541)**	**35,151**
	Cash and cash equivalents at the beginning of the year	61,440	26,289
	Cash and cash equivalents at the end of the year	**47,899**	**61,440**

		As at 31 March 2022	As at 31 March 2021
	Notes to cash flow statement		
i.	**Components of Cash and cash equivalents**		
	Cash on hand	190	179
	Balances with banks on current account	47,148	60,727
	Deposit accounts (with original maturity of 3 months or less)	561	534
		47,899	**61,440**

ii. Movement in financial liabilities

	Non-current borrowings*	Current borrowings	Total
As on 1 April 2021	3,327,868	928,251	4,256,119
Cash flows (net)	1,737,416	(928,251)	809,165
Finance cost expense	544,771	-	544,771
Finance cost paid	(784,579)	-	(784,579)
- Amortisation of premium on OCRDs	3,132	-	3,132
Current maturities of long term borrowings	(312,055)	312,055	-
As on 31 March 2022	**4,516,553**	**312,055**	**4,828,608**
As on 1 April 2020	3,892,539	172,802	4,065,341
Cash flows (net)	96,639	142,450	239,089
Finance cost expense	468,124	-	468,124
Finance cost paid	(203,801)	-	(203,801)
Other non cash transactions			
- Modification of financial liability made during the year	-	(315,252)	(315,252)
- Amortisation of premium on OCRDs	2,618	-	2,618
Current maturities of long term borrowings	(928,251)	928,251	-
As on 31 March 2021	**3,327,868**	**928,251**	**4,256,119**

* Includes current portion of interest accrued but not due on borrowings (refer note 16 and note 21)

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 44 form an integral part of these financial statements.

As per our report of even date attached

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

Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 20 September 2022

For and on behalf of Board of Directors of
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Director
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Place: Gurugram
Date: 20 September 2022

Vijay Kumar
Company Secretary
Membership No.: A32055

Place: Gurugram
Date: 20 September 2022

Ascent Hotels Private Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in Indian Rupees ('000), unless otherwise stated)

1.1 Corporate information

Ascent Hotels Private Limited ('the Company') is a Company domiciled in India. The Company was incorporated in India on 05 July 2005 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 one hotel under it (Hyatt Regency, Pune) which is operational.

1.2 Basis of preparation

A. Statement of Compliance

These 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. Also refer note 38 for going concern basis of accounting used by the management.

The financial statements were authorised for issue by the Company's Board of Directors on 20 September 2022.

B. Functional and presentation currency

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

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value

D. Significant accounting judgments, estimates and assumptions.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that may require material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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) 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.

ii) Critical accounting estimates and judgements:

Certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable, and for them the measurement of fair value is more judgemental. An instrument in its entirety is classified as valued using significant unobservable inputs if, in the opinion of management, a significant proportion of the instrument's inception profit or greater than 5% of the instrument's valuation is driven by unobservable inputs. 'Unobservable' in this context means that there is little or no current market data available from which to determine the price at which an arm's length transaction would be likely to occur.

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.

v) Fair value measurement of financial instruments

The fair values of financial instruments recorded in the 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 35 for further disclosures.

vi) Recognition of Deferred Tax assets

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.

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 Holding 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 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 35.

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.

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). The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life.

Depreciation on addition/ (disposals) is provided on a pro-rata basis i.e. from/ (up to) the date on which the asset is ready for use/ (disposed off).
The management estimate of the useful life of various categories of assets is as follows:

Asset Category*	Useful Life (years)	Useful life as per Schedule II
Building	15-60	60
Computers and accessories	3-8	3-6
Plant and machinery	5-20	15
Furniture and fixtures	5-8	10
Vehicles	8	8
Office equipment	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.

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 eight 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.

All financial instruments are initially recognised at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). However, if there is a difference between the transaction price and the fair value of financial instruments whose fair value is based on a quoted price in an active market or a valuation technique that uses only data from observable markets, the Company recognises the difference as a gain or loss at inception ('day 1 gain or loss'). In all other cases, the entire day 1 gain or loss is deferred and recognised in the income statement over the life of the transaction until the transaction matures or is closed out.

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:

– 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 measure 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;

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 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.

Interest free loans

The Company has obtained interest free loan from its holding 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 have been recognised as equity component in the books of the Company. The loan component is subsequently measured at amortised costs and interest expense is recognised using effective interest rate method. On modification in the terms of such loans wherein they became repayable at the option of the borrower resulting in it becoming perpetual debt such loans including accrued interest up to the date of modification have been treated as other equity.

vi. 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.

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 require impairment to be recognised. 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 i.e. bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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.

5) Inventories

Inventories which comprise stock of food, beverages (including liquor) and other operating supplies is carried at the lower of cost and net realisable value. Cost includes all expenses incurred in bringing the inventory to their present location and condition and is determined on a weighted average basis. 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.

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 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 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) 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 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 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, property management services, recreation and other services relating to hotel operations. Revenue is recognised upon rendering of the services and sale of food and beverages.

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 reporting date.

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

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.

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.

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) Earnings per share

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

17) 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.

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

3 Property, plant and equipment and Capital work-in-progress

Reconciliation of carrying amount

	Freehold land	Buildings	Furnitures and fixtures	Plant and machinery	Vehicles	Computers and accessories	Office equipment	Total	Capital work-in-progress
Gross carrying amount									
Balance as at 1 April 2020	778,400	2,418,754	514,623	1,044,106	2,840	11,256	2,007	4,771,986	63,999
Additions during the year	-	-	-	233	-	750	-	983	-
Deletions during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	778,400	2,418,754	514,623	1,044,339	2,840	12,006	2,007	4,772,969	63,999
Additions during the year	-	-	-	2,051	-	106	-	2,157	-
Deletions during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	778,400	2,418,754	514,623	1,046,390	2,840	12,112	2,007	4,775,126	63,999
Accumulated depreciation									
Balance as at 1 April 2020	-	455,103	428,185	419,067	2,699	9,472	1,241	1,315,767	-
Depreciation charge for the year	-	93,619	37,429	80,520	-	789	263	212,620	-
Balance as at 31 March 2021	-	548,722	465,614	499,587	2,699	10,261	1,504	1,528,387	-
Depreciation charge for the year	-	93,619	6,051	76,822	-	492	227	177,211	-
Balance as at 31 March 2022	-	642,341	471,665	576,409	2,699	10,753	1,731	1,705,598	-
Net carrying amount									
Balance as at 31 March 2021	778,400	1,870,032	49,009	544,752	141	1,745	503	3,244,582	63,999
Balance as at 31 March 2022	778,400	1,776,413	42,958	469,981	141	1,359	276	3,069,528	63,999

a) Refer to Note 16 for information on property, plant and equipment pledged as security by the Company.
b) Refer to Note 43(vii) for details regarding the title deeds of immovable property of the Company.

Capital-Work-in Progress (CWIP) - Disclosure of ageing schedule

a) CWIP aging schedule

Aging for capital work in progress as on 31 March 2022 :

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	-	-	-	63,999	63,999

Aging for capital work in progress as on 31 March 2021 :

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	-	-	-	63,999	63,999

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

(b) CWIP completion schedule

As at 31 March 2022

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Additional rooms	-	-	63,999	-	**63,999**

As at 31 March 2021

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Additional rooms	-	-	-	63,999	**63,999**

4 Intangible assets

Reconciliation of carrying amount

Gross carrying amount	Computer software	Total
Balance as at 1 April 2020	4,287	4,287
Additions during the year	1,004	1,004
Deletions during the year	-	-
Balance as at 31 March 2021	**5,291**	**5,291**
Additions during the year	79	79
Deletions during the year	-	-
Balance as at 31 March 2022	**5,370**	**5,370**

Accumulated amortisation		
Balance as at 1 April 2020	3,381	3,381
Amortisation expense for the year	310	310
Balance as at 31 March 2021	**3,691**	**3,691**
Amortisation expense for the year	284	284
Balance as at 31 March 2022	**3,975**	**3,975**

Net carrying amount		
Balance as at 31 March 2021	**1,600**	**1,600**
Balance as at 31 March 2022	**1,395**	**1,395**

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

5 Non-current financial assets - Others

	As at 31 March 2022	As at 31 March 2021
Bank deposits due to mature after 12 months from the reporting date* #	29,966	27,504
Security deposits	8,748	8,907
Less: Interest accrued on security deposits	(303)	(636)
Less: current security deposits	(344)	-
	38,067	**35,775**

* including interest accrued on fixed deposits INR 859 (31 March 2021 - INR 6,441)
# Includes deposits under lien amounting to INR 29,107 (31 March 2021 - INR 21,062)

6 Income tax assets (net)

Tax deducted at source	16,714	11,712
	16,714	**11,712**

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

7 **Income tax**

	For the year ended 31 March 2022	For the year ended 31 March 2021
A: The major components of income tax expense are		
Recognised in profit or loss		
Current tax	-	-
Deferred tax	-	-
	-	-

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

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Percentage	Amount	Percentage	Amount
Loss before tax		(764,065)		(806,983)
Tax using the Company's domestic tax rate	25.17	(192,315)	25.17	(203,118)
Effect of:				
Non recognition of deferred taxes on temporary differences	(23.90)	182,582	(24.51)	197,825
Non-deductible differences - Others	(1.27)	9,719	(0.65)	5,249
Others	(0.00)	14	(0.01)	44
Effective tax rate	-	-	-	-

The Company has adopted new tax regime under section 115BAA of the Income tax Act, 1961 w.e.f. FY 2019-20

C. Deferred tax assets / liabilities

	As at 31 March 2022	As at 31 March 2021
Unabsorbed business loss and depreciation	1,135,268	891,596
Disallowance u/s 43B of Income-tax Act, 1961	99,043	169,787
Loss allowance for doubtful debts	1,327	1,316
Provision for employee benefits	2,165	2,446
	1,237,803	**1,065,145**
Property, plant and equipment, Capital work-in-progress and Intangible assets	380,557	380,420
	380,557	**380,420**
Net deferred tax asset / (liabilities)	**857,246**	**684,725**
Deferred tax asset / (liability) recognised*	-	-

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

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

D. Movement in temporary differences

31 March 2022

Particulars	Balance as at 1 April 2021	Movement	Balance as at 31 March 2022
Deferred tax assets			
Unabsorbed business loss and depreciation	891,596	243,672	1,135,268
Loss allowance for doubtful debts	1,316	11	1,327
Disallowance u/s 43B of Income-tax Act, 1961	169,787	(70,744)	99,043
Provision for employee benefits	2,446	(281)	2,165
Property, plant and equipment, Capital work-in-progress and Intangible assets	(380,420)	(137)	(380,557)
Total	**684,725**	**172,521**	**857,246**

31 March 2021

Particulars	Balance as at 1 April 2020	Movement	Balance as at 31 March 2021
Deferred tax assets			
Unabsorbed business loss and depreciation	758,263	133,333	891,596
Loss allowance for doubtful debts	1,022	294	1,316
Disallowance u/s 43B of Income-tax Act, 1961	108,247	61,540	169,787
Provision for employee benefits	3,052	(606)	2,446
Property, plant and equipment, Capital work-in-progress and Intangible assets	(383,684)	3,264	(380,420)
Total	**486,900**	**197,825**	**684,725**

E. Tax Losses carried forward

Tax losses for which no deffered tax asset was recognised with expiry date as follows

	As At 31 March 2022 Amount	Expiry Date (Financial Year)
Business loss	833,005	2029-30
Business loss	328,205	2028-29
Business loss	-	2027-28
Business loss	4,578	2026-27
Business loss	83,701	2025-26
Unabsorbed depreciation	3,261,276	Never expire

	As at 31 March 2021 Amount	Expiry Date (Financial Year)
Business loss	331,269	2028-29
Business loss	-	2027-28
Business loss	4,578	2026-27
Business loss	83,701	2025-26
Unabsorbed depreciation	3,123,207	Never expire

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

8	Other non-current assets	As at 31 March 2022	As at 31 March 2021
	Prepaid expenses	-	118
		-	118

9	Inventories	As at 31 March 2022	As at 31 March 2021
	(valued at the lower of cost and net realisable value)		
	Food and beverages	7,343	8,851
		7,343	8,851

10	Current financial assets - Trade receivables	As at 31 March 2022	As at 31 March 2021
	Unsecured, considered good	16,188	4,835
	Unsecured, credit impaired	5,272	5,229
		21,460	10,064
	Allowance for credit impaired	(5,272)	(5,229)
		16,188	4,835

a) Refer Note 34 for dues from related parties
b) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 35

Trade receivable ageing schedule

As at 31 March 2022

	Outstanding for following periods from due date of transaction					
Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	15,624	81	54	382	47	16,188
(ii) Undisputed trade receivables – credit impaired	-	280	72	1,538	3,382	5,272
Total	15,624	361	126	1,920	3,429	21,460

As at 31 March 2021

	Outstanding for following periods from due date of transaction					
Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	4,268	69	415	47	36	4,835
(ii) Undisputed trade receivables – credit impaired	-	80	1,767	3,382	-	5,229
Total	4,268	149	2,182	3,429	36	10,064

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

11 Current financial assets - Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- on current accounts	47,148	60,727
- on deposit accounts (with original maturity of 3 months or less)*	561	534
Cash on hand	190	179
	47,899	**61,440**

* including interest accrued on fixed deposits INR 28 (31 March 2021 - INR Nil)

12 Current financial assets - Others

	As at 31 March 2022	As at 31 March 2021
Unbilled revenue*	8,513	3,953
Government grant **	-	8,089
Other receivables		
Unsecured, considered good	11,748	8,735
Unsecured, Credit impaired	3,050	3,050
	23,311	23,827
Allowance for credit impaired	(3,050)	(3,050)
Security deposits #	647	636
	20,908	**21,413**

** The Company has recoverable balance of Nil (31 March 2021 – INR 8,089) as at the balance sheet date. During the year, the Company has written off government grant amounting to INR 727 (31 March 2021 – 5,268).

* Net of advance from customers of INR 9,605 (31 March 2021 - INR 5,908)
# includes interest on security deposit INR 303 (31 March 2021 - INR 636)

13 Other current assets

	As at 31 March 2022	As at 31 March 2021
Staff advance	184	-
Advance to suppliers	3,500	1,348
Balance with statutory authorities	7,285	14,570
Prepaid expenses *	8,868	9,241
	19,837	**25,159**

* includes current portion of non-current prepaid expenses amounting to INR Nil (31 March 2021 - INR 173)

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

14 Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	130,000,000	1,300,000	130,000,000	1,300,000
	130,000,000	**1,300,000**	**130,000,000**	**1,300,000**
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	127,801,486	1,278,015	127,801,486	1,278,015
	127,801,486	**1,278,015**	**127,801,486**	**1,278,015**

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

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	127,801,486	1,278,015	127,801,486	1,278,015
Add : Issued during the year	-	-	-	-
At the end of the year	**127,801,486**	**1,278,015**	**127,801,486**	**1,278,015**

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having the par value of INR 10 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) Shares held by holding/ or their subsidiaries/

Name of shareholder

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
SAMHI Hotels Limited *	127,801,486	1,278,015	127,801,486	1,278,015

d) Names of the shareholders holding more than 5% of class of shares

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
Equity shares	Number of shares	% of shares	Number of shares	% of shares
SAMHI Hotels Limited*	127,801,486	100%	127,801,486	100%

* Mr. Gyana Das holds 1 equity share as a nominee shareholder.

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 16 for shares reserved in respect to Optional Convertible Redeemable Debentures (OCRDs).

g) Refer note 34 for shares pledged by Holding Company in respect of borrowings

h) Details of shares held by promoters

As at 31 March 2022

S.no	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	SAMHI Hotels Limited (Holding company)	127,801,486	-	127,801,486	100	-

As at 31 March 2021

S.no	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	SAMHI Hotels Limited (Holding company)	127,801,486	-	127,801,486	100	-

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

15 Other equity

	As at 31 March 2022	As at 31 March 2021
Securities premium	1,048,850	1,048,850
Retained earnings	(4,568,243)	(3,803,780)
Equity component of interest free loans from Holding Company	315,252	315,252
	(3,204,141)	**(2,439,678)**

	As at 31 March 2022	As at 31 March 2021
a) Securities premium		
Balance at the beginning of the year	1,048,850	1,048,850
Add : Additions made during the year	-	-
Balance at the end of the year	**1,048,850**	**1,048,850**

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.

b) Retained earnings		
Balance at the beginning of the year	(3,803,780)	(2,996,626)
Profit / (Loss) for the year	(764,065)	(806,983)
Transferred from other comprehensive income	(398)	(171)
Balance at the end of the year	**(4,568,243)**	**(3,803,780)**

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

c) Equity component of interest free loans from Holding Company		
Balance at the beginning of the year	315,252	-
Add : Additions made during the year	-	-
Add : Modification of financial liability made during the year	-	315,252
	315,252	**315,252**

This represents the equity component of the interest free loan received from SAMHI Hotels Limited, the holding company. Below are the terms of unsecured loan from Holding Company :
- Loan to be considered as perpetual debt
- Nil rate of interest
- Repayable at the option of the Company.

d) Other comprehensive income		
Balance at the beginning of the year	-	-
Remeasurements of defined benefit liability / asset (net of tax)	(398)	(171)
Transferred to retained earnings	398	171
Balance at the end of the year	-	-

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

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

16 Non-current financial liabilities - Borrowings	As at 31 March 2022	As at 31 March 2021
From bank (secured) (refer 'a' below)		
Term loan $	102,130	-
Bullet loan #	-	564,147
From institutions (secured) (refer 'b' below)		
Term loan*^	3,679,517	2,915,399
Bullet loan ##	-	574,356
	3,781,647	**4,053,902**
Optionally convertible redeemable debentures (OCRD) (refer 'c' below)	226,483	202,217
Loan from holding company (unsecured) ^^	820,478	-
Less: Interest accrued but not due on borrowings (refer note 21)	(12,975)	(340,109)
Less: Current maturities of long-term borrowings (Refer note 19)	(312,055)	(928,251)
Total	**4,503,578**	**2,987,759**

# including interest accrued but not due on bullet loan from bank amounting to INR Nil (31 March 2021 - INR 205,647)
$ including interest accrued but not due on term loan from bank amounting to INR 130 (31 March 2021 - INR Nil)
* including interest accrued but not due on term loan from financial institution amounting to INR 272,350 (31 March 2021 - INR 212,747)
including interest accrued but not due on bullet loan from institution amounting to INR Nil (31 March 2021 - INR 127,856)
^ includes interest on secured loan of INR Nil (31 March 2021 - INR 123,416) as the 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 basis correspondence from the respective financial institution.
^^ including interest accrued but not due on loan from holding company amounting to INR 11,978 (31 March 2021 - NIL)

a) Loan from banks include the following:

Bullet loan and term loan
Sanction amounts
Bullet loan from DBS Bank Ltd - INR Nil (31 March 2021 - INR 358,500)
Secured working capital Term loan from DBS Bank Ltd - INR 102,000 (31 March 2021 - INR Nil)

Terms of security
Bullet loan from banks is secured by way of:
(i) Registered mortgage creating second charge over the immovable fixed assets (including the hotel property and land) both present and future.
(ii) Charge by way of hypothecation creating second charge over entire movable fixed assets and the current assets.
(iii) Charge by way of a pledge over shares of the Company.
(iv) Corporate Guarantee by SAMHI Hotels Limited (Holding Company)

Secured working capital term loan from bank (ECLGS) is secured by way of:
(i) Registered mortgage creating second charge over the immovable fixed assets (including the hotel property and land) both present and future.
(ii) Charge by way of hypothecation creating second charge over entire movable fixed assets and the current assets.
(iii) Charge by way of a pledge over shares of the Company.

Rate of interest and terms of payment
The interest rate of bullet loan is Nil (31 March 2021 - 9.20%). The loan amount is repayable by bullet payment after 6 years from the date of first disbursement (12 February 2016).
The interest rate working capital term loan is 7.80% p.a. (31 March 2021 - Nil). The loan amount is repayable in 48 equal installments starting after 12 months of first date of disbursement.

b) Loan from institutions include the following:

Sanction amounts
Senior loan from HDFC Ltd - INR 1,400,000 (31 March 2021 - INR 1,400,000)
Bullet loan from HDFC Ltd - INR Nil (31 March 2021 - INR 446,500)
Term loan from PHL Fininvest Private Limited - INR 1,200,000 (31 March 2021 - INR 1,200,000)
Secured working capital Term loan from HDFC Ltd - INR 740,000 (31 March 2021 - INR 370,000)
Secured working capital Term loan from PHL Fininvest Private Limited - INR 236,000 (31 March 2021 - INR 236,000)

Ascent Hotels Private Limited
Notes to the financial statements for the year ended 31 March 2022
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Terms of security

Senior loan from HDFC Limited is secured by way of:
(i) First charge on all the immovable assets of the Company both present and future
(ii) First charge by way of hypothecation of all the movable fixed assets both present and future
(iii) A first charge on the current assets of the Company subject to the charges created/ to be created in favour of the working capital lenders under the Deed of Hypothecation.
(iv) A first charge on Debt Service Reserve Account and other reserves and any other bank account relating to the Project, wherever maintained, both present and future, under the Deed of Hypothecation.
(v) Pledge in favour of the Security Trustee.

Secured working capital term loan from HDFC Limited (ECLGS) is secured by way of:
(i) Second charge on all the immovable assets of the Company both present and future
(ii) Second charge by way of hypothecation of all the movable fixed assets both present and future
(iii) A second charge on the current assets of the Company subject to the charges created/ to be created in favour of the working capital lenders under the Deed of Hypothecation.
(iv) A second charge on Debt Service Reserve Account and other reserves and any other bank account relating to the Project, wherever maintained, both present and future, under the Deed of Hypothecation.
(v) Pledge in favour of the Security Trustee.

Bullet loan from HDFC Limited is secured by way of:
(i) Registered mortgage creating second charge over the immovable fixed assets (including the hotel property and land) both present and future.
(ii) Charge by way of hypothecation creating second charge over entire movable fixed assets and the current assets.
(iii) Charge by way of a pledge over shares of the Company.
(iv) Corporate Guarantee by SAMHI Hotels Limited (Holding Company)

Loans from PHL Fininvest Private Limited are secured by way of:
(i) First ranking pari passu charge, over property of Hyatt Regency, Pune ("Pune Project") [under entity Ascent 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 Pune 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 Ascent Hotels Private Limited
(vi) First ranking pari passu charge by way of hypothecation of the Promoter Escrow Account
(vii) Non-disposal undertaking from promoter for 100% shares of SAMHI Hotels (Ahmedabad) Private Limited

Secured working capital term loans from PHL Fininvest Private Limited (ECLGS) are secured by way of:
(i) Second ranking pari passu charge, over property of Hyatt Regency, Pune ("Pune Project") [under entity Ascent Hotels Private Limited]
(ii) Second ranking pari passu charge, over property of Sheraton, Hyderabad ("Hyderabad Project") [under entity SAMHI Hotels (Ahmedabad) Private Limited]
(iii) Second ranking pari passu charge, over Hyderabad Receivables, Current Account and Project Escrow Account
(iii) Second ranking pari passu charge, over Pune Project Receivables, Current Account and Project Escrow Account
(v) Second ranking pari passu charge by way of 100% Share Pledge of Ascent Hotels Private Limited
(vi) Second ranking pari passu charge by way of hypothecation of the Promoter Escrow Account
(vii) Demand promissory note executed by the Company for an amount equivalent to the ECLGS Loan for the benefit of the Lender ("DPN").
(viii) Non-disposal undertaking from promoter for 100% shares of SAMHI Hotels (Ahmedabad) Private Limited

Rate of interest and terms of payment

The interest rate for senior loan is 12.95% p.a.(31 March 2021 - 12.95%). Repayable in 56 (Fifty Six) structured quarterly instalments commencing from May 2018.
The interest rate for bullet loan is Nil (31 March 2021 - 5.00%). The loan amount is repayable by bullet payment after 6 years from the date of first disbursement (5 February 2016).

The interest rate (accrual) for term loan from PHL Fininvest Private Limited is Piramal Prime Lending Rate (PPLR) less facility spread i.e 14.05% p.a. (31 March 2021 - 14.05%). No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less facility spread from 37th Month till end of the tenure of the loan. The term loan is repayable in 48 structured quarterly instalments commencing from September 2021. Accrued interest will be paid by the end of the 60th Month from the first disbursement date of loan.

The interest rate (accrual) for RCF from PHL Fininvest Private Limited is Piramal Prime Lending Rate (PPLR) less RCF spread i.e Nil (31 March 21 - Nil). No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less RCF spread from 37th Month till end of the tenure of the loan. The RCF is repayable in 20 structured quarterly instalments commencing from September 2028. Accrued interest will be paid by the end of the 60th Month from the first disbursement date of loan. Thus RCF facility was converted into term loan mentioned above.

The interest rate for secured working capital loan from PHL Fininvest Private Limited is Piramal Prime Lending Rate (PPLR) less spread i.e 13% (31 March 21 - 13%). Interest shall be payable from the date of first disbursement and shall be calculated on the basis of a year of 365 days. Principal moratorium of 12 months. Thereafter, principal to be repaid in 48 monthly instalments.

The interest rate for secured working capital loan from HDFC Ltd is Prime Lending Rate (PPLR) less spread i.e 9.25% (31 March 21 - 9.25%). Interest shall be payable from the date of first disbursement and shall be calculated on the basis of a year of 365 days. Principal moratorium of 12 months. Thereafter, principal to be repaid in 48 monthly instalments.

The Company do not have any continuing defaults as on the balance sheet date in the repayment of loans and interest.

c) Terms and conditions of Optional Convertible Redeemable Debentures (OCRDs)

The Company issued 6,726,394 OCRDs with a face value of Rs. 10 each at a premium of Rs. 35.23 each in March 2016.

Redemption

a) The OCRDs are redeemable on 1 April 2036.

b) Terms of Redemption :

i) The OCRDs are redeemable for an amount equivalent to the fair market value of such number of equity shares as are equivalent to 1.43 times the number of OCRDs in case the Company achieves the target of EBITDA of INR 70 Crores in any financial year prior to 1 April 2036, or

ii) The OCRDs are redeemable for an amount equivalent to the fair market value of such number of equity shares as are equivalent the number of OCRDs in case the Company does not achieve the target of EBITDA of INR 70 Crores in any financial year prior to 1 April 2036.

Conversion

a) The OCRDs can be converted at the option of the subscriber at any time after 1 April 2021.

b) Terms of Conversion -

i) The OCRDs will be converted into equity shares in the ratio of 1:1.43 in case the Company achieves the target of EBITDA of INR 70 Crores in any financial year prior to date of exercise of option to convert.

ii) In any other case, the OCRDs will be converted into equity shares in the ratio of 1:1.

The effective interest rate on OCRDs is 12% per annum.

	31 March 2022	31 March 2021
Proceeds from issue of OCRDs (Fair value at initial recognition)	304,202	304,202
Less: Derived fair value of OCRDs *	(114,743)	(114,743)
	189,459	189,459
Derived fair value of OCRDs	114,743	114,743
Add: Interest expense accretion	111,739	87,474
OCRDs recognised as borrowings	226,482	202,217

* The derived fair value has been calculated based on the present value of expected cashflows/ convertible value of OCRDs on maturity (Level 3). Significant unobservable inputs for measurement of fair value include EBITDA multiple, EBITDA growth rate and discount rate.
Also refer note 2 [Point 3(1)]

d) 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.

e) 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. Further, interest has been capitalised in the loan value on certain borrowings and it will be payable in proportion to ratio of the original principal repayments basis correspondence from the respective financial institution.

f) Loan from holding company (unsecured)

This represents an interest bearing loan received from SAMHI Hotels Limited, the holding company. Below are the terms of unsecured loan from Holding Company :
- Interest rate 13% (31 March 2021 Nil)
- Repayable after 5 years from the date of first disbursement.

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Notes to the financial statements for the year ended 31 March 2022
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17 Non current Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity (Refer note 27)	1,987	2,806
Compensated absences (Refer note 27)	1,484	852
	3,471	**3,658**

18 Other non-current liabilities

	As at 31 March 2022	As at 31 March 2021
Unamortised premium on OCRDs #	173,326	177,054
	173,326	177,054

The difference between the fair value at initial recognition (the transaction price) and the value that would have been derived had valuation techniques been applied at initial recognition, less subsequent releases, is as follows:

Unamortised balance as at the beginning of the year	180,186	182,804
Less: Amortisation recognised in Statement of Profit and Loss	3,132	2,618
Unamortised balance as at the end of the year	177,054	180,186
Non-current portion	**173,326**	**177,054**
Current portion	**3,728**	**3,132**

19 Current financial liabilities - Borrowings

	As at 31 March 2022	As at 31 March 2021
Current maturities of long-term borrowings (refer note 16)	312,055	928,251
	312,055	928,251

20 Current financial liabilities - Trade payables

	As at 31 March 2022	As at 31 March 2021
- total outstanding dues of micro enterprises and small enterprises	14,048	6,653
- total outstanding dues of creditors other than micro enterprises and small enterprises	140,031	119,013
	154,079	**125,666**

a) Refer note 37 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)
b) Refer note 34 for dues to related parties
'c) The Company's exposure to currency and liquidity risks related to trade payables is disclosed note 35

Trade payables Ageing Schedule
As at 31 March 2022

		Outstanding for following periods from due date of transaction				
Particulars	**Accrued Expenses**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	13,700	213	107	28	**14,048**
(ii) Others	47,985	50,592	28,968	10,013	2,473	**140,031**
Total	**47,985**	**64,292**	**29,181**	**10,120**	**2,501**	**154,079**

As at 31 March 2021

		Outstanding for following periods from due date of transaction				
Particulars	**Accrued Expenses**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	5,225	1,400	28	-	**6,653**
(ii) Others	27,937	68,434	19,192	19	3,431	**119,013**
Total	**27,937**	**73,659**	**20,592**	**47**	**3,431**	**125,666**

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

21 Current financial liabilities - Others	As at 31 March 2022	As at 31 March 2021
Interest accrued and due on borrowings	-	6,606
Interest accrued but not due on borrowings (refer note 16)	12,975	333,503
Employee related payables	5,205	10,247
Payable for capital assets	118	145
Security Deposit received	1,336	1,936
	19,634	352,437

22 Other current liabilities	As at 31 March 2022	As at 31 March 2021
Advance from customers	19,599	17,397
Statutory dues payable	36,333	43,465
Unamortised premium on OCRDs (Refer note 18)	3,728	3,132
	59,660	63,994

23 Current provisions	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity (Refer note 27)	1,346	1,788
Compensated absences (Refer note 27)	855	540
	2,201	2,328

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

24 Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of services		
- Room revenue	182,189	94,778
- Food and beverage revenue	159,100	61,056
- Recreation and other services	8,082	4,117
	349,371	159,951

Contract Balances
The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.
The contract assets primarily relate to excess of revenue over invoicing (i.e. unbilled revenue).

	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract liabilities		
- Advance from customers	19,599	17,397
Contract assets		
- Unbilled revenue	8,513	3,953

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.

25 Other income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income from financial assets at amortised cost		
- bank deposits	3,787	4,426
- Security deposits	-	614
Liabilities/provision no longer required written back	536	2,605
Interest on income tax refund	-	1,402
Miscellaneous income	-	512
Rental income	347	664
	4,670	10,223

26 Cost of materials consumed

	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of food and beverages		
Inventory at the beginning of the year	8,851	13,102
Add: Purchases	42,039	13,892
Inventory at the end of the year	(7,343)	(8,851)
	43,547	18,143

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

27 Employee benefits expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	78,677	66,137
Contribution to provident fund and other funds (refer 'a' below)	5,712	5,055
Compensated absences (refer 'b' below)	1,790	-
Gratuity expense (refer 'c' below)	693	968
Staff welfare expenses	7,760	5,954
	94,632	78,114

a. Defined Contribution plans

The Company's employees provident fund scheme and employee state insurance scheme are defined contribution plans. A sum of INR 5,712 (31 March 2021 - INR 5,055) has been recognised as an expense in relation to the schemes and shown under Employee benefits expense in profit or loss. Also refer note 32

b. Compensated absences

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	%	%
Discounting rate	4.45	3.99
Future salary increase	6.00	6.00

c. Defined Benefit Plan

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 scheme is not funded.
The following tables summarise the components of net benefit expense recognised in profit or loss and amounts recognised in the Balance Sheet for the said plan:

a) Expense recognised in Profit or Loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	510	764
Interest cost	183	204
Total expenses recognised in the Statement of profit and loss	**693**	**968**

b) Remeasurements recognized directly in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
- changes in financial assumptions	(27)	85
- changes in experience adjustments	425	86
Amount recognized in other comprehensive income	**398**	**171**

c) Change in present value of benefit obligation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of obligation as at the beginning of the year	4,594	4,039
Current service cost	510	764
Interest cost	183	204
Actuarial (gain)/loss	398	171
Benefits paid	(2,352)	(584)
Present value of obligation as at the end of the year	3,333	4,594

d) Amounts to be recognized in Balance sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of the defined benefit obligation at the end of the year	3,333	4,594
Fair value of plan assets at the end of the year	-	-
Funded status	-	-
Net liability recognized in the Balance Sheet	**3,333**	**4,594**
Non-current	1,987	2,806
Current	1,346	1,788

(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 31 March 2022	As at 31 March 2021
	%	%
Discounting rate	4.45	3.99
Future salary increase	6.00	6.00

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.

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

Demographic assumptions	As at 31 March 2022	As at 31 March 2021
Retirement Age (years)	58	58
Mortality Table	IALM (2012-2014)	IALM (2012-2014)
Withdrawal Rate	%	%
Ages		
For Service 4 Year and Below	52	52
For Service 5 Year and Below	52	52

(f) The Company best estimate of expense for the next year is INR 579 (31 March 2021: INR 781)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other

	31 March 2022		31 March 2021	
	Increase *	Decrease *	Increase *	Decrease *
Discount rate (0.5% movement)	(29)	30	(41)	42
Future salary growth (0.5% movement)	29	(29)	41	(41)

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 31 March 2022
April 2022- March 2023	1,346
April 2023- March 2024	946
April 2024- March 2025	470
April 2025 - March 2026	233
April 2026 - March 2027	116
April 2027 - March 2028	52
April 2028 onwards	170
	3,333

Year	As at 31 March 2021
April 2021- March 2022	1,789
April 2022- March 2023	1,352
April 2023- March 2024	676
April 2024- March 2025	333
April 2025 - March 2026	160
April 2026 - March 2027	77
April 2027 onwards	207
	4,594

Ascent Hotels Private Limited

Notes to the financial statements for the year ended 31 March 2022

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

28 Finance costs	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Interest expense on financial liabilities carried at amortised cost		
- Term loan	494,851	446,560
- OCRDs * (Refer note 16)	21,134	19,048
- Others	13,309	-
Interest expense on delay in deposit of statutory dues	6,976	2,109
Other finance cost	8,501	407
	544,771	**468,124**

* net of amortisation of premium on OCRDs amounting to INR 3,132 (31 March 2021 - INR 2,618) made out of loan funds

29 Depreciation and amortisation expense	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Depreciation on property, plant and equipment	177,211	212,620
Amortisation of intangible assets	284	310
	177,495	**212,930**

30 Other expenses	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Repair and maintenance		
- Building	6,486	2,349
- Machinery	4,651	6,144
- Others	5,293	2,337
Advertisement and business promotion	13,011	11,870
Commission	12,542	5,002
Communication	18,443	13,995
Consumption of stores and supplies	16,158	6,810
Contractual labour	11,117	5,341
General administration expenses	987	-
Insurance	5,239	4,347
Legal and professional charges (refer note 39)	30,724	33,275
Loss on foreign exchange fluctuation (net)	2,110	-
Government grant written off	727	5,268
Management and incentive fees	6,401	2,843
Miscellaneous expenses	847	1,246
Payment to auditors (refer below)	1,863	1,543
Power, fuel and water	82,263	66,591
Provision for bad and doubtful debts	43	1,169
Rates and taxes	36,733	28,807
Rent expenses (refer note 40)	60	60
Travelling expenses	1,963	849
	257,661	**199,846**
***Payment to auditors**		
As auditors		
Statutory audit	1,800	1,400
Reimbursement of expenses	42	123
Other services	21	20
	1,863	**1,543**

31 Earnings per share (EPS)	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Net loss attributable to equity shareholders	(764,065)	(806,983)
Weighted average number of equity shares for calculation of basic EPS	127,801,486	127,801,486
Weighted average number of equity shares for calculation of diluted EPS	127,801,486	127,801,486
Nominal value of equity share (INR)	10	10
Basic earning per share (INR)	(5.98)	(6.31)
Diluted earning per share (INR)	(5.98)	(6.31)

* 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.

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

Contingent liabilities
(to the extent not provided for)
The Company had received an assessment order for financial year 2016-17 whereby an addition of INR 39,967 had been made to the total income of the Company. The Company had filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition. During the year, the Company has settled the matter under the Vivad Se Vishwas Scheme (dispute resolutions scheme). Accordingly, PCIT has determined the amount of Rs. Nil payable to the Company via order passed on 09 November 2021.

Subsequent to the year-end, the Commissioner of Income-tax (Appeals) passed order on 30 June 2022 disposing off the appeal in view of settlement of matter under Vivad Se Vishwas Scheme.

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.

33 Operating Segments

The Holding 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.

Ascent Hotels Private Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in Indian Rupees('000), unless otherwise stated)

34 Related party disclosures

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

Description of relationship	Name of the Party
Holding Company	SAMHI Hotels Limited (formerly known as SAMHI Hotels

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

Description of relationship	Name of the Party
Fellow subsidiary	Argon Hotels Private Limited Barque Hotels Private Limited SAMHI Hotels (Gurgaon) Private Limited

c) Transactions during the year

Particulars	Holding Company		Fellow subsidiary	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Current financial liabilities - Borrowings				
Loans taken				
SAMHI Hotels Limited	-	142,450	-	-
Modification of financial liability made during the year (Refer Note 22)	-	315,252	-	-
Interest on loan from holding company				
SAMHI Hotels Limited	13,309	-	-	-
Loan from holding company (unsecured) including interest				
SAMHI Hotels Limited	820,478	-	-	-
Other expenses				
Legal and professional fees				
SAMHI Hotels Limited	25,997	30,574	-	-
Reimbursement of expense				
SAMHI Hotels Limited	58	-	-	-
Argon Hotels Private Limited	-	-	21	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	619	-

In addition to transactions above,
- the Holding Company has provided a corporate guarantee on behalf of the Company in respect of term loan obtained from bank and financial institutions.
- there is a pledge over shares held and owned by the holding company, in respect of borrowings from banks and financial institutions.
- refer note 20 (b) in respect of security provided by fellow subsidiaries for loans from PHL Fininvest Private Limited.
- there is a pledge over shares held and owned by the holding company, in respect of borrowings from DBS Bank India Limited amounting to Rs. 407,890.
- the Company has provided undertaking cum guarantee on behalf of the Holding Company in respect of borrowings from Piramal Capital and Housing Finance Limited amounting to Rs. 850,000 and 750,000.

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

d) Year end balances

Particulars	Holding Company		Fellow subsidiary	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Other equity				
Equity component of interest free loans from Holding Company				
SAMHI Hotels Limited	315,252	315,252	-	-
Trade receivables				
Argon Hotels Private Limited	-	-	21	-
Barque Hotels Private Limited	-	-	54	-
SAMHI Hotels Limited	58	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	619	-
Current financial assets - Others				
Other Receivable				
SAMHI Hotels Limited	3,202	-	-	-
Trade payables				
SAMHI Hotels Limited	-	5,771	-	-
Loan from holding company (unsecured)				
SAMHI Hotels Limited	820,478	-	-	-

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 settlement occurs in cash.

For the year ended 31 March 2022 and 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

Ascent Hotels Private Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in Indian Rupees('000), unless otherwise stated)

35 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 a 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 it financial instruments into the three levels prescribed under the accounting standard.

Particulars	31 March 2022			
	Level of hierarchy	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets				
Non-current				
Others	-	-	-	38,067
Current				
Trade receivables	-	-	-	16,188
Cash and cash equivalents	-	-	-	47,899
Others	-	-	-	20,908
Total financial assets		-	-	**123,062**
Financial liabilities				
Borrowings	2	-	-	4,277,095
Optionally convertible redeemable debentures (OCRD)	3	-	-	226,483
Current				
Borrowings	2	-	-	312,055
Trade payables	-	-	-	154,079
Others	-	-	-	19,634
Total financial liabilities		-	-	**4,989,346**

Particulars	31 March 2021			
	Level of hierarchy	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets				
Non-current				
Others	-	-	-	35,775
Trade receivables	-	-	-	4,835
Cash and cash equivalents	-	-	-	61,440
Others		-	-	21,413
Total financial assets		-	-	**123,463**
Financial liabilities				
Borrowings	2	-	-	2,785,542
Optionally convertible redeemable debentures (OCRD)	3	-	-	202,217
Current				
Borrowings	2	-	-	928,251
Trade payables	-	-	-	125,666
Others	-	-	-	352,437
Total financial liabilities		-	-	**4,394,113**

Ascent Hotels Private Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in Indian Rupees('000), unless otherwise stated)

A) Financial instruments by category and fair value

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

	As at 31 March 2022	As at 31 March 2021
Financial liabilities		
OCRDs (Level 3)	344,080	172,113

The fair value of trade receivables, cash and cash equivalents, other bank balances, 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 (from bank) 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 and loan to subsidiary included in non-current loans 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: 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 (includin 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 dat 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 valuations of financial instruments under Level 1.
There have been no transfers in either direction for the years ended 31 March 2022 and 31 March 2021.
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.

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.
- fair value of OCRD is computed using Binomial option pricing model for fair value of option and equity value using a discounted cash flow approach

C) 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 Holding 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 an 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 reviewe 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 vendors. Further, the Company has other receivable balances outstanding as at year end from vendors against cost reimbursement. The Company does not expec any default from these parties and accordingly the risk of default is negligible or nil.

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 appropriat 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 trad 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 previou financial difficulties, if any.

During the year, the Company has written-off trade receivables of INR Nil (31 March

Reconciliation of loss allowance provision

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	5,229	4,059
Changes in loss allowance	43	1,169
Closing balance	**5,272**	**5,228**

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 impairmer calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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 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 41 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 2022			Contractual cash flows			
	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Non-current borrowings	4,503,578	4,517,080	-	595,602	1,231,974	2,689,504
Current borrowings	312,055	312,055	312,055	-	-	-
Trade payables	154,079	154,079	154,079	-	-	-
Other current financial liabilities	19,634	19,634	19,634	-	-	-
	4,989,346	**5,002,848**	**485,768**	**595,602**	**1,231,974**	**2,689,504**

31 March 2021			Contractual cash flows			
	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Non-current borrowings	2,987,759	3,004,172	-	174,930	867,367	1,961,875
Current borrowings	928,251	928,251	928,251	-	-	-
Trade payables	125,666	125,666	125,666	-	-	-
Other current financial liabilities	352,437	352,437	352,437	-	-	-
	4,394,113	**4,410,526**	**1,406,354**	**174,930**	**867,367**	**1,961,875**

(b) Financing arrangements

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

	As at 31 March 2022	As at 31 March 2021
Floating rate		
Term loans from bank/institution	20,000	483,500
	20,000	**483,500**

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 on account of imports of capital goods, foreign currency borrowings and other expenditure in currencies other than the functional currency of the Company.

Exposure to currency risk

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

31 March 2022	Currency	Amount in foreign curreny (in thousand)	Amount in INR (in thousand)
Financial liabilities			
Trade payables	USD	710	53,620

31 March 2021	Currency	Amount in foreign curreny (in thousand)	Amount in INR
Financial liabilities			
Trade payables	USD	414	30,356

Sensitivity analysis

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

	(Profit) / loss		Equity, net of tax	
Effect in INR	Strengthning	Weakening	Strengthning	Weakening
31 March 2022				
USD (1% movement)	536	(536)	536	(536)
	536	**(536)**	**536**	**(536)**

	(Profit) / loss		Equity, net of tax	
Effect in INR	Strengthning	Weakening	Strengthning	Weakening
31 March 2021				
USD (1% movement)	304	(304)	304	(304)
	304	**(304)**	**304**	**(304)**

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

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 obligations with floating interest rates.

Exposure to interest rate risk

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

	Nominal amount	
	31 March 2022	31 March 2021
Fixed-rate instruments		
Financial assets - Bank deposits	30,527	27,504
Financial liabilities - Bullet loans from bank/financial	-	1,138,503
	30,527	**1,166,007**
Variable-rate instruments		
Financial liabilities - Term loans from banks/financial	3,781,647	2,915,399
	3,781,647	**2,915,399**
Total	**3,812,174**	**4,081,406**

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) / loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2022				
Financial liabilities	32,772	(32,772)	32,772	(32,772)
	32,772	**(32,772)**	**32,772**	**(32,772)**
31 March 2021				
Financial liabilities	28,448	(28,448)	28,448	(28,448)
	28,448	**(28,448)**	**28,448**	**(28,448)**

36 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.
The Board of Directors of the company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.
The Company monitors capital using loan to value (LTV) method to ensure that the loan to value does not increase beyond 65% on any given reporting date at a group level.

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

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

	As at 31 March 2022	As at 31 March 2021
Dues to micro and small suppliers		
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	13,851	6,653
Interest	197	-
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.	197	-
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 30 September 2019 and 31 March 2018 has been made in the financial statements based on information received and available with the Company.

38 **Impact of COVID-19 pandemic (including going concern)**

The Company is facing liquidity challenges which have been accentuated by uncertainty due to COVID-19. The Company has negative net worth of INR 1,926,126 as at 31 March 2022, incurred a net loss of INR 764,065 during the year ended 31 March 2022 and, as of that date, the Company's current liabilities exceeded its current assets by INR 435,454. As on 31 March 2022, the Company has been largely funded by loans from banks/financial institutions and there are repayments of INR 325,030 due within 12 months of the balance sheet date. The Company has cash and bank balance of INR 47,899 with it as on 31 March 2022 which will assist for meeting its short term liabilities for next 12 months. The business of the Company was impacted during the year on account of COVID-19. During few months of the year, the Company witnessed softer revenues due to the subsequent waves of COVID-19 and consequent lockdowns in several states across the country.

With increased vaccinations and consequent reduction in number of cases and easing of all restrictions, the Company has witnessed a recovery. Starting from Q3 FY 2022, the Company has demonstrated improved business performance in terms of Average Room Revenue (ARR) and Occupancy levels. ARR and Occupancy levels in Q1 FY 2023 have reached INR 6,512 and 72%. The Company has continued financial and operational support provided to the Company by SAMHI Hotels Limited (the holding company), has projected to generate profits from its operations and is expecting necessary approvals basis application to lenders under Emergency Credit Line Guarantee Scheme ("ECLGS").

The Company has 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.

39 During the year SAMHI Hotels Limited (the Holding Company) has allocated expenses amounting INR 25,997 (31 March 2021 - INR 30,574) as Company's share of project expenses and other cost incurred.

40 **Lease disclosures**

The Company has taken office premises under cancellable operating lease agreement. The total lease rental recognised as an expense relating to low value and short term leases amounts to INR 60 (31 March 2021 - INR 60).

41 **New standards and interpretations, not yet adopted**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 - Reference to Conceptual Framework
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whetherto derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Ascent Hotels Private Limited

Notes to the financial statements for the year ended 31 March 2022

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

42 Ratio Analysis and its elements

Ratio	In times/%	Numerator	Denominator	31 March 2022	31 March 2021	Reasons for variance
Current Ratio	In times	Total Current Assets	Total Current Liabilities	0.20	0.08	Current ratio has improved due to reduction in current borrowings as few loans have been repaid in the current year.
Debt-Equity Ratio	In times	Total Borrowings	Total Equity	(2.50)	(3.37)	Debt equity ratio has increased due to increase in debt during the current year.
Debt Service Coverage Ratio	In times	Loss before finance cost, depreciation, amortisation and tax	Finance costs paid + Principal repayments of long term borrowings	(0.02)	(0.36)	Debt Service coverage ratio has improved due to reduction in loss before finance costs, depreciation, amortisation, and tax.
Return on Equity Ratio	In %	Loss after tax	Average Total Equity	49.49%	88.13%	Return on equity ratio has decreased due to reduction in other equity on account of losses in the current year.
Inventory turnover ratio *	In times	NA	NA	NA	NA	NA
Trade Receivables turnover ratio	In times	Revenue from operations	Average Trade Receivables	33.24	15.25	Trade receivables turnover ratio increased due to an increase in revenue from operations.
Trade payables turnover ratio	In times	Cost of materials consumed + Other expenses	Average Trade Payables	2.15	1.55	Trade payables turnover ratio increased due to increase in business activity during the year.
Net capital turnover ratio	In times	Revenue from operations	Average working capital	(0.39)	(0.19)	Decrease is due to increase in revenue from operations due to improvement in business.
Net profit ratio	In %	Loss after tax	Revenue from operations	-218.70%	-504.52%	Net profit ratio improved due to improvement in business activity during the year.
Return on Capital employed	In %	Loss before interest and taxes	Capital Employed : Tangible Net Worth + Total Borrowing	-7.59%	-12.31%	Return on capital employed improved due to a decrease in loss before interest and taxes during the current year on account of an increase in business activity.
Return on investment #	In %	NA	NA	NA	NA	NA

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

* **Inventory turnover ratio**: Since the Company holds the inventory of beverages including liquor and the proportion of such inventory is insignificant to total assets.

Return on investments: Since the Company invests surplus temporary funds in short-term bank deposits and the income generated from it is insignificant to total revenue.

43 Other statutory information

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

(ii) The Company do not have any transactions with companies struck off under section 248 of Companies Act 2013

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

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

(v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(vii) The title deeds of immovable property disclosed in the financial statements are held in the name of the Company. However, original title deeds are under lien with trustee for the borrowings taken from banks/financial intitutions by the Company

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

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

(x) The Company has used the borrowings from banks for the specific purpose for which it was taken.

Ascent Hotels Private Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in Indian Rupees('000), unless otherwise stated)

44 Change in classification

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Company has modified the classification of security deposits from "Loans" to "Others" in financial assets and Current maturities of long-term borrowings from "Others" to "Borrowings" in Current financial liabilities. Comparative amounts in the notes to the standalone financial statements were reclassified for consistency.

	As per earlier reported	Revised classification
Non current assets		
Financial assets		
Loans	8,271	-
Others	-	8,271
Current assets		
Financial assets		
Loans	636	-
Others	-	636
Current liabilities		
Financial liabilities		
Borrowings	-	928,251
Others	928,251	-

The notes from Note 1 to Note 44 form an integral part of these financial statements.

As per our report of even date attached

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

Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 20 September 2022

For and on behalf of Board of Directors of
Ascent Hotels Private Limited

Rajat Mehra
Director
DIN: 06813081

Place: Gurugram
Date: 20 September 2022

Tanya Chakravarty
Director
DIN: 08539291

Place: Gurugram
Date: 20 September 2022

Vijay Kumar
Company Secretary
Membership No.: A32055

Place: Gurugram
Date: 20 September 2022