

B S R & Co. LLP

Chartered Accountants

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

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

Independent Auditor's Report

To the Members of Barque Hotels Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Barque 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 49 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.

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited liability Partnership with LLP Registration No. AA3-B181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400069

Independent Auditor's Report (Continued)

Barque Hotels Private Limited

Management's and Board of Directors' 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

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Independent Auditor's Report (Continued)

Barque Hotels Private Limited

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 40 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 53 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

Independent Auditor's Report (Continued)

Barque Hotels Private Limited

- 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, other than as disclosed in the Note 55 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 and accordingly, the provisions of Section 197 of the Act are not applicable.

For B S R & Co. LLP

Chartered Accountants

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



Vikram Advani

Partner

Place: New Delhi

Date: 06 September 2022

Membership No.: 091765

ICAI UDIN: 22091765ARBZYI8252

Annexure A to the Independent Auditor's Report on the Financial Statements of Barque 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 period of three years. In accordance with this programme, all property, plant and equipment were physically verified during the year ended 31 March 2020. 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 material discrepancies were noticed on such verification.
- (i) (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, original title deeds are under lien with debenture trustee for the non-convertible debentures issued by the Company during the current year. Therefore, we could not verify those title deeds and have not received independent confirmation from the debenture trustee.
- (i) (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (i) (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 53 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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (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 provided guarantee or advances in the nature of loans to companies, firms, limited liability partnership or any other parties during the year. The Company has provided security and has granted loans to companies during the year, in respect of which the requisite information is as below. The Company has not provided any security or granted any loans, secured or unsecured, 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

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

given to us the Company has provided security and loans to any other entity as below:

Particulars	Security (Rs. in thousand)	Loans (Rs. in thousand)
Aggregate amount during the year		
Subsidiaries*	-	5,100
Others (fellow subsidiary)	4,100,000	-
Balance outstanding as at balance sheet date		
Subsidiaries*	-	220,667
Others (fellow subsidiary)	4,100,000	-

*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 security given during the year and the terms and conditions of the grant of loans 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, in the case of loans given, in our opinion the repayment of principal and payment of interest is not stipulated for the loan (as on 31 March 2022) of Rs. 220,667 thousand given to Paulmech Hospitality Private Limited which is repayable on mutual consent of the Company and Paulmech Hospitality Private Limited. As informed to us, the Company has not demanded repayment of the loan (including interest) during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party 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 is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has granted loans which are repayable on mutual consent of the Company and Paulmech Hospitality Private Limited (subsidiary of the Company) and without specifying period of repayment to its related party as defined in Clause (75) of Section 2 of the Companies Act, 2013 ("the Act"), details of which are given below:

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

	Related Party
Aggregate of loans to subsidiary - Repayable on demand (A) - Agreement does not specify any terms or period of Repayment (B)	- Rs. 220,667 thousand
Total (A+B)	Rs. 220,667 thousand
Percentage of loans to the total loans	100%

- (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 not provided any guarantee as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of security provided and loans granted by the Company, the provisions of Section 185 of the Act have been complied with. The Company has complied with Section 186(1) of the Act. According to the information and explanations given to us, the provisions of Section 186 (except for sub-section (1) of the Section 186) of the Companies Act, 2013 are not applicable to the Company since the Company is engaged in the business of providing infrastructural facilities.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services rendered or goods sold by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales Tax and Value Added 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 Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess and Other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Income tax.

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 Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess and 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 thousand)	Period to which the amount relates	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions	Provident fund (Additional liability due to Supreme	182	March 2019	15 April 2019	Not yet Paid

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

Name of the statute	Nature of the dues	Amount (Rs. in thousand)	Period to which the amount relates	Due date	Date of payment
Act, 1952	Court Judgement)				
The Haryana Tax on Luxuries Act, 2007	Luxury Tax	345	October 2016	15 November 2016	Not yet Paid
The Haryana Tax on Luxuries Act, 2007	Luxury Tax	421	November 2016	15 December 2016	Not yet Paid
The Haryana Tax on Luxuries Act, 2007	Luxury Tax	323	December 2016	15 January 2017	Not yet Paid
Central Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017	Interest liability on Goods and Services Tax	343	April 2021 - August 2021	20 September 2021	Not yet Paid

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

Name of the statute	Nature of the dues	Amount (Rs. in thousand)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Penalty u/s 271C	120	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Penalty u/s 271C	1,005	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Addition to the taxable income	296,965*	2016-17	Commissioner of Income Tax (Appeals)

*Amounts represents additions to taxable income

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

- (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. 2,447,333 thousand from SAMHI Hotels Limited ('Parent 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.
- (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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has taken funds from following entity to meet the obligations of its subsidiary (as defined under the Act) as per details below:

Nature of fund taken	Name of lender	Amount Involved	Name of the subsidiary	Nature of transaction for which funds utilised
Interest free loan from SAMHI Hotels Limited (Holding Company)	SAMHI Hotels Limited	Rs. 5,100 thousand	Paulmech Hospitality Private Limited	Loan given for general corporate and project expenses.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has issued non-convertible debentures during the year on the pledge of securities held in its subsidiary as per details below:

Nature of loan taken	Name of lender	Amount of loan (Rs. in thousand)	Name of the subsidiary	Relationship	Details of security pledged
Non-convertible debentures (Refer Note 20 to the financial statements)	Sarvara Investment Fund I	2,850,000	Paulmech Hospitality Private Limited	Subsidiary	100% shareholding held by the Company in the subsidiary.

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

Further, the Company has not defaulted in repayment of such loans raised.

- (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) According to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details regarding such transactions have been disclosed in the financial statements as required by applicable accounting standards. Being a wholly owned subsidiary company of public limited company, the requirements of Section 177 of the Act of having an Audit Committee are not applicable.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs 515,975 thousand in the current financial year and Rs 465,791 thousand 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 49 to the financial statements which explains that the Company has

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

incurred losses in current year and previous year and has accumulated losses as at 31 March 2022. The note also 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

Date: 06 September 2022

Membership No.: 091765

ICAI UDIN: 22091765ARBZY18252

Annexure B to the Independent Auditor's Report on the financial statements of Barque 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 Barque 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 Barque 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

Date: 06 September 2022

Membership No.: 091765

ICAI UDIN: 22091765ARBZY18252

Barque 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	2,856,481	3,006,785
Capital work-in-progress	3	10,626	10,354
Right to use assets	3	334,915	368,040
Other intangible assets	4	13,139	17,275
Financial assets			
Investment in subsidiary	5	71,000	71,600
Loans	6	220,667	192,277
Other financial assets	7	67,738	66,307
Income tax assets (net)	8	6,373	3,538
Other non-current assets	10	14,701	19,659
Total non-current assets		3,597,700	3,755,336
Current assets			
Inventories	11	2,000	-
Financial assets			
Trade receivables	12	15,397	11,784
Cash and cash equivalents	13	71,615	25,235
Bank balances other than cash and cash equivalents above	14	64,834	83,215
Other financial assets	15	9,310	4,077
Other current assets	16	97,170	126,276
Asset held for sale	17	70,000	70,000
Total current assets		330,326	320,887
TOTAL ASSETS		3,928,026	4,075,923
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	383,751	300,461
Other equity	19	735,228	498,288
Total equity		1,118,979	798,749
Non-current liabilities			
Financial liabilities			
Borrowings	20	2,292,389	-
Lease liabilities	21	165,092	195,771
Trade payables	22	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		9,884	-
Provisions	23	4,946	5,792
Other non-current liabilities	24	82,418	87,651
Total non-current liabilities		2,554,729	289,214
Current liabilities			
Financial liabilities			
Borrowings	25	-	2,706,972
Lease liabilities	26	54,564	57,378
Trade payables	27	-	-
- total outstanding dues of micro enterprises and small enterprises		1,603	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		167,625	129,254
Other financial liabilities	28	2,626	23,459
Other current liabilities	29	25,104	67,375
Provisions	30	2,706	3,522
Total current liabilities		254,318	2,987,960
TOTAL EQUITY AND LIABILITIES		3,928,026	4,075,923

The notes from Note 1 to Note 55 form an integral part of these financial statements.

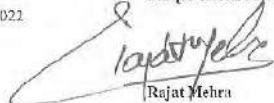
As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101245W/W-100022

Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 06 September 2022

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


Rajat Mehra
Director
DIN: 06813081


Manish Bhagat
Director
DIN: 08092409


Ashish Jain
Company Secretary
Membership No.: A10088

Place: Gurugram
Date: 06 September 2022

Place: Gurugram
Date: 06 September 2022

Place: Gurugram
Date: 06 September 2022


Barque 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	31	546,978	298,345
Other income	32	33,815	23,369
Total income		580,823	321,714
Expenses			
Cost of materials consumed	33	47,817	37,434
Employee benefits expense	34	143,487	158,851
Other expenses	37	389,273	246,304
Total expenses		580,577	442,539
Profit/(loss) before finance costs, depreciation, amortisation, tax and exceptional items		246	(120,875)
Finance costs	35	469,389	301,909
Depreciation and amortisation expense	36	188,996	186,590
		658,385	488,499
Loss before tax and exceptional items		(658,139)	(609,374)
Exceptional items	38	(2,344)	12,619
Loss before tax		(655,795)	(621,993)
Tax expense	9	-	-
Current tax		-	-
Deferred tax		-	-
Loss for the year		(655,795)	(621,993)
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
- Re-measurement gain/(loss) on defined benefit obligations	34	75	(53)
- Income tax relating to items mentioned above		-	-
Other comprehensive income/(loss), net of tax		75	(53)
Total comprehensive income/(loss) for the year		(655,720)	(622,046)
Earnings per equity share			
Nominal value of share INR 10 [previous year INR 10]			
Basic (INR)	39	(19.25)	(20.70)
Diluted (INR)		(19.25)	(20.70)

The notes from Note 1 to Note 55 form an integral part of these financial statements.

As per our report of even date attached.

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


Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 06 September 2022

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


Rajat Mehra
Director
DIN: 06813081


Manish Bhagat
Director
DIN: 08092409


Ashish Jain
Company Secretary
Membership No.: A10088

Place: Gurugram
Date: 06 September 2022

Place: Gurugram
Date: 06 September 2022

Place: Gurugram
Date: 06 September 2022

Barque 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 flows from operating activities		
Loss before tax	(655,795)	(621,993)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expense	188,596	186,590
Provision for bad and doubtful debts	401	-
Finance costs	469,389	301,909
Interest income	(1,250)	(8,853)
Amortisation of income received in advance	(5,233)	(5,233)
Gain on lease assets	(2,344)	-
Net gain on fair valuation of equity component of convertible PIK obligation	(14,400)	-
Capital work-in-progress written off	-	12,619
Provision no longer required written back	-	(117)
Government grant	(2,775)	(2,257)
Unwinding of discount on security deposits	(6,888)	(6,474)
Operating loss before working capital changes	(32,899)	(143,809)
(Increase) in inventories	(2,600)	-
(Increase)/ decrease in trade receivables	(4,014)	25,510
Decrease in other financial assets	17,929	3,766
(Increase)/ decrease in other assets	14,229	(1,026)
Increase / (decrease) in trade payables	49,948	(106,159)
Increase / (decrease) in other liabilities	(9,755)	26,214
(Decrease) in provisions	(1,588)	(359)
(Decrease) in other financial liabilities	(920)	(1,925)
Cash generated from/ (used in) operations	930	(197,828)
Income taxes (paid) / refunded - net	(2,834)	20,452
Net cash generated from/ (used in) operating activities	(1,904)	(177,376)
B. Cash flows from investing activities		
Purchase of property, plant and equipment, capital work-in progress and other intangible assets	(19,673)	235
Loans provided to subsidiary	(5,100)	(28,749)
Bank deposits matured	82,511	369,082
Bank deposits made	(64,091)	(344,460)
Interest received	4,634	16,656
Net cash generated from/(used in) investing activities	(1,319)	12,824
C. Cash flows from financing activities		
Non-current borrowings availed during the year (net of upfront interest)	2,764,500	-
Non-current borrowings repaid during the year (net of upfront interest)	(2,697,585)	-
Lease payments	(57,380)	(57,377)
Interest free loans received from holding company	254,550	536,166
Finance costs paid	(214,482)	(322,804)
Net cash generated from/(used in) financing activities	49,603	155,985
Net increase/(decrease) in cash and cash equivalents (A+B+C)	46,380	(8,566)
Cash and cash equivalents at the beginning of the year	25,235	33,801
Cash and cash equivalents at the end of the year	71,615	25,235
Notes to Statement of Cash Flows		
	As at 31 March 2022	As at 31 March 2021
i. Components of Cash and cash equivalents		
Cash on hand	1,355	583
Balances with banks:		
- on current accounts	42,756	17,151
Bank deposits with original maturity of less than 3 months	27,504	7,501
	71,615	25,235



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

ii. Movement in financial liabilities:

	Non-current borrowings*	Current borrowings	Total
As on 1 April 2021	2,706,972	-	2,706,972
Borrowings availed during the year	2,764,500	-	2,764,500
Borrowings repaid during the year	(2,697,585)	-	(2,697,585)
Finance cost expense	469,389	-	469,389
Interest income on loan funds (Refer Note 35)	23,282	-	23,282
Finance cost paid	(214,482)	-	(214,482)
Interest expense on lease liabilities	(23,887)	-	(23,887)
Equity component of convertible PIK obligation (Refer Note 19)	(735,800)	-	(735,800)
As on 31 March 2022	2,292,389	-	2,292,389
As on 1 April 2020	2,754,856	-	2,754,856
Finance cost expense	301,909	-	301,909
Finance cost paid	(322,804)	-	(322,804)
Interest expense on lease liabilities	(26,989)	-	(26,989)
As on 31 March 2021	2,706,972	-	2,706,972

* Includes current maturities of non-current borrowings


iii. For movement in lease liabilities, refer Note 47

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

The notes from Note 1 to Note 55 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.: 691765

Place: New Delhi
 Date: 06 September 2022

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


 Rajat Mehra
 Director
 DIN: 06813081


 Manish Bhagat
 Director
 DIN: 08092409


 Ashish Jain
 Company Secretary
 Membership No.: A10088

Place: Gurugram
 Date: 06 September 2022

Place: Gurugram
 Date: 06 September 2022

Place: Gurugram
 Date: 06 September 2022

Barque 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	30,046,105	300,461
Changes in equity share capital during the year	-	-
As at 31 March 2021	30,046,105	300,461
Changes in equity share capital during the year	8,328,975	83,290
As at 31 March 2022	38,375,080	383,751

b. Other equity (refer note D)

Particulars	Equity component of Fully Compulsorily Convertible Debentures (FCCD's)	Equity component of concessional overdraft facility	Equity component of interest free loan from holding company	Equity component of convertible PIK obligation	Reserves and surplus		Other comprehensive income	Total
					Securities premium	Retained earnings		
Balance as at 1 April 2020	1,012,088	18,890	1,686,617	-	796,500	(2,809,707)	-	584,168
Loss for the year	-	-	-	-	-	(691,003)	-	(621,993)
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	(53)	(53)
Total comprehensive income	-	-	-	-	-	(621,003)	(53)	(622,016)
Transferred to retained earnings	-	-	-	-	-	(53)	53	-
Equity component of interest free loan from holding company	-	-	536,166	-	-	-	-	536,166
Balance as at 31 March 2021	1,012,088	18,890	1,192,783	-	796,500	(3,521,753)	-	498,288
Loss for the year	-	-	-	-	-	(655,795)	-	(655,795)
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	15	15
Total comprehensive income	-	-	-	-	-	(655,795)	15	(655,720)
Transferred to retained earnings	-	-	-	-	-	75	-	75
Securities premium on conversion of fully compulsorily convertible debentures	-	-	-	-	149,608	-	-	149,608
Equity component of interest free loan from holding company	-	-	254,330	-	-	-	-	254,330
Equity component of convertible PIK obligation	-	-	-	721,400	-	-	-	721,400
Conversion of fully compulsorily convertible debentures into equity shares	(832,898)	-	-	-	-	-	-	(832,898)
Balance as at 31 March 2022	179,170	18,890	3,447,333	721,400	1,546,108	(4,177,473)	-	755,228

The notes from Note 1 to Note 55 form an integral part of these financial statements.

As per our report of even date attached

For: BSR & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No.: 101218W7W-100022

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


Vikram Advani
 Partner
 Membership No.: 091765


Rajat Mehra
 Director
 DIN: 06813081


Manish Bhargat
 Director
 DIN: 08102400


Ashish Jais
 Company Secretary
 Membership No. A10018

Place: New Delhi
 Date: 06 September 2022

Place: Gurugram
 Date: 06 September 2022

Place: Gurugram
 Date: 06 September 2022

Place: Gurugram
 Date: 06 September 2022

Barque 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

Barque Hotels Private Limited ('the Company') is a Company domiciled in India. The Company was incorporated in India on 27 March 2008 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 twelve hotels under it, out of which eleven hotels (Holiday Inn Express - Ahmedabad, Bangalore Whitefield, Pune Hinjwadi, Gurugram, Pimpri, Hyderabad Hi-tech, Nashik, Chennai OMR, Hyderabad Banjara Hills, Bangalore Tumkur Road and Caspia Pro - Noida) are operational and one hotel is under development.

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 the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Also refer note 49 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 6 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
Equity Component of convertible PIK obligation	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.



Barque 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)

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) Useful lives, recoverable amounts and impairment of property, plant and equipment, capital work-in progress and other intangible assets

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, capital work-in progress and other intangible assets at the end of each reporting date.

iii) 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.

iv) 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



Barque 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)

risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also, refer note 43 for further disclosures.

v) Recognition of deferred tax assets/liabilities

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

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

E. Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

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

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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.



Barque 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)

F. Measurement of fair values

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

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

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

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 43.

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.



Barque 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)

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/ (upto) the date on which the asset is ready for use/ (disposed off).

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

Asset Category*	Useful Life (years)	Useful life as per Schedule II to the Companies Act, 2013
Building	15-60	60
Computers and accessories	3	3-6
Plant and machinery	5-20	15
Furniture and fixtures	8	10
Office equipment	5-10	5

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

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis for assets purchased/sold during the year.

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



Barque 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)

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 3-10 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 Statement of Profit and Loss 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;



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

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- 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 measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL.

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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

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

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features;



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Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

The Company 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



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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.

v. Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

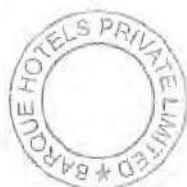
Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

vi. Concessional overdraft facility

The Company has availed overdraft facility from banks at an interest rate lower than the market rate, because its holding company has pledged fixed deposit with the banks for this overdraft facility. This difference between the interest rate charged by the bank and market rate is treated as deemed equity provided by the holding company, with a corresponding debit to the Statement of Profit and Loss.

vii. 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.



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viii. Modification of financial assets and liabilities

Financial assets:

If the terms of a financial assets are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial assets 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.

ix. Non-convertible debentures

The Company has issued non-convertible debentures (NCDs) which have been treated as financial liability in books and carried at amortised cost.

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

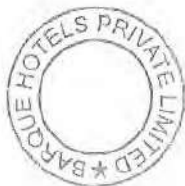
4) Impairment

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. 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:



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- 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



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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 traded goods 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 first in first out ("FIFO") 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) 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.



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7) 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.

8) Borrowing costs

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

9) 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 & 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



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

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

Re-measurement 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.

10) 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.

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.

Space rentals

Space rental income comprises amount earned for use of hotel premises space by other parties. The income is recognised when services are rendered as per the terms of the contract and no significant uncertainty exists regarding the collection of the consideration.



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11) 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.

12) 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.

13) Income taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and 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.



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Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timings of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

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.

14) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Holding Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker ('CODM')



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Identification of segments:

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

15) Leases

Company as a Lessee

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

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration obligation, and less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

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

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain



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that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. .

Company as a Lessor

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

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

16) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

17) Investment in subsidiary

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



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18) Cash and cash equivalents

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

19) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held for sale, property, plant and equipment are no longer depreciated.

20) 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.

21) Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.



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

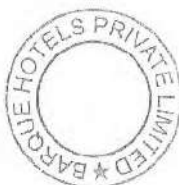
Reconciliation of carrying amount

	Freehold land	Buildings	Furniture and fixtures	Plant and machinery	Vehicles	Computers and accessories	Office equipment	Total Property, plant and equipment	Right of use assets	Capital work-in-progress
Gross carrying amount										
Balance as at 1 April 2020	797,400	1,884,072	243,538	1,018,967	2,414	80,251	41,665	4,068,708	289,868	21,536
Additions/Disposals during the year	-	-	-	-	-	-	-	-	126,553	437
Balance as at 31 March 2021	797,400	1,884,072	243,538	1,018,967	2,414	80,251	41,665	4,068,708	416,421	(11,619)
Additions during the year	-	-	-	-	-	-	-	-	-	272
Disposals during the year	-	-	-	-	-	-	-	-	(17,216)	-
Adjustment during the year	18,723	-	-	-	-	-	-	18,723	-	-
Balance as at 31 March 2022	797,400	1,902,795	243,538	1,018,967	2,414	80,251	41,665	4,098,131	403,205	10,626
Accumulated depreciation and amortisation**										
Balance as at 1 April 2020	-	425,541	306,167	306,622	818	38,762	11,053	891,952	17,981	-
Depreciation/amortisation charge for the year	-	78,011	30,210	24,116	233	14,518	3,733	170,971	13,397	-
Balance as at 31 March 2021	-	503,552	336,377	330,738	1,041	53,280	14,786	1,062,923	31,378	-
Depreciation/amortisation charge for the year	-	82,182	17,693	51,017	287	11,512	3,406	169,077	17,753	-
Additional depreciation/amortisation charge**	-	-	-	-	-	-	-	-	5,332	-
Reversal of depreciation/amortisation on disposal	-	-	-	-	-	-	-	-	(17,216)	-
Balance as at 31 March 2022	-	585,734	354,070	381,755	1,328	64,792	21,211	1,221,959	67,250	-
Net carrying amount										
Balance as at 31 March 2021	797,400	1,380,520	117,231	688,229	1,373	27,471	26,861	3,006,785	384,040	10,354
Balance as at 31 March 2022	797,400	1,317,091	99,538	600,282	1,085	15,629	21,455	2,856,481	334,955	10,626

For information on property, plant and equipment pledged as security by the Company, refer to Note 30.

* During the current year, the Company has accumulated the lease agreement for Gascon (Mumbai, Maharashtra) property. Accordingly, additional amortisation charge of INR 15,532 is recorded in ROU assets. Refer note 30 for further details.

** Accumulated depreciation and amortisation includes impairment loss of INR 205,663.



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

a) CWIP ageing schedule

Ageing 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	
Projects in progress	772	452	6,115	10,626
Project temporarily suspended	-	-	-	3,487

Ageing 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	
Projects in progress	452	6,415	3,461	11,331
Projects temporarily suspended	-	-	423	-

For capital work-in progress, whose completion is overdue compared to its original plan, the project-wise details for which the project is expected to be completed as of March 31, 2022 and March 31, 2021 are as follows :

b) CWIP completion schedule

As on 31 March 2022

CWIP	To be completed in			Total
	Less than 1 year	1-2 years	2-3 years	
Project 1	-	9,282	-	9,282
Project 2	-	1,344	-	1,344

As on 31 March 2021

CWIP	To be completed in			Total
	Less than 1 year	1-2 years	2-3 years	
Project 1	-	-	9,410	9,410
Project 2	-	-	1,344	1,344

Other intangible assets

Reconciliation of carrying amount

	Computer softwares	Total
Gross carrying amount		
Balance as at 1 April 2020	26,325	26,325
Additions during the year	-	-
Balance as at 31 March 2021	26,325	26,325
Additions during the year	-	-
Balance as at 31 March 2022	26,325	26,325

Accumulated amortification *	
Balance as at 1 April 2020	6,738
Amortisation expenses for the year	2,222
Balance as at 31 March 2021	8,960
Amortisation expenses for the year	2,316
Balance as at 31 March 2022	11,276

Net carrying amount	
Balance as at 31 March 2021	17,375
Balance as at 31 March 2022	15,050

*Accumulated amortisation includes impairment loss of INR 1,477.



Barque Hotels Private Limited

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

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

5	Investment in subsidiary	As at 31 March 2022	As at 31 March 2021
	Investments in equity instruments - at cost (unquoted)		
	Paulmech Hospitality Private Limited, a subsidiary 1,997,532 (31 March 2021 - 1,997,532) equity shares of INR 10 each, fully paid-up	120,722	120,722
	Less: Provision for impairment in value of investment in subsidiary	(49,722)	(49,722)
		<u>71,000</u>	<u>71,000</u>
	Aggregate amount of unquoted investments	120,722	120,722
	Aggregate amount of impairment in value of investments	49,722	49,722

6	Non-current financial assets - Loans	As at 31 March 2022	As at 31 March 2021
	To related parties		
	Loan to subsidiary* † (Refer note 12)	220,667	192,277
		<u>220,667</u>	<u>192,277</u>

* Loan to subsidiary represents amount given to Paulmech Hospitality Private Limited carrying interest @ 12% p.a and repayable as per mutual consent between parties. Loan is given for general corporate and project expenses.

† Includes interest accrued on loan to subsidiary amounting to INR 87,591 (31 March 2021 - INR 64,304)

Loans and advances to specified person

Type of Borrower	As on 31 March 2022	% to total loan & advances	As on 31 March 2021	% to total loan & advances
Related Parties	220,667	100%	192,277	100%

7	Non-current financial assets - Others <i>(Unsecured, considered good)</i>	As at 31 March 2022	As at 31 March 2021
	Bank deposits with maturity more than 12 months from the reporting date* †	1,560	1,782
	Security deposits	66,178	64,525
		<u>67,738</u>	<u>66,307</u>

* Includes bank deposits under lien amounting to INR 1,442 (31 March 2021 - INR 1,734)
† including interest accrued on bank deposits INR 118 (31 March 2021 - INR 145)

8	Income tax assets (net)	As at 31 March 2022	As at 31 March 2021
	Tax deducted at source	6,373	3,539
		<u>6,373</u>	<u>3,539</u>



9 Income tax

A: The major components of income tax expense / (income) are

Recognised in profit or loss

Recognised directly in Other comprehensive income

Before tax

Tax impact

After tax

	For the year ended 31 March 2022	For the year ended 31 March 2021
Recognised in profit or loss	-	-
Recognised directly in Other comprehensive income		
Before tax	75	(53)
Tax impact	-	-
After tax	75	(53)

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

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	%	Amount	%	Amount
Loss before tax		(655,795)		(621,993)
Tax using the Company's domestic tax rate	25.17	(165,064)	25.17	(156,543)
Non recognition of deferred taxes on temporary differences	2.23	(14,646)	(25.51)	158,685
Non-deductible differences	(0.21)	1,388	(0.53)	3,303
Non-convertible debentures	(28.24)	185,200	-	-
Others	1.05	(6,878)	0.87	(5,445)

C. Deferred tax assets / liabilities

	As at 31 March 2022		As at 31 March 2021	
Deferred tax assets				
Unabsorbed business losses and depreciation		1,002,211		848,833
Provision for employee benefits		2,493		3,009
Disallowance u/s 43B of the Income-tax Act, 1961		59,718		-
Loss allowance for doubtful debts		250		149
Impairment in value of investments		12,514		12,514
Others		35,107		43,977
		1,112,293		908,482
Deferred tax liabilities				
Property, plant and equipment, Capital work-in-progress and Intangible assets		131,093		112,675
Non-convertible debentures		200,057		-
		331,150		112,675
Deferred tax assets (net)		781,143		795,807
Deferred tax (assets)/ liabilities recognized *		-		-

* 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 recognized to the extent of deferred tax liabilities only.

D. Movement in temporary differences

31 March 2022

Particulars	Balance as at 1 April 2021	Movement during FY 2021-22	Recognised in equity during FY 2021-22	Recognised in OCI during FY 2021-22	Balance as at 31 March 2022
Property, plant and equipment, capital work-in-progress and other intangible assets	(112,675)	(18,418)	-	-	(131,093)
Non-convertible debentures	-	(200,057)	-	-	(200,057)
Impairment in value of investments	12,514	-	-	-	12,514
Unabsorbed business losses and depreciation	848,833	153,378	-	-	1,002,211
Loss allowance for doubtful debts	149	101	-	-	250
Disallowance u/s 43B of Income-tax Act, 1961	-	59,718	-	-	59,718
Provision for employee benefits	3,009	(516)	-	-	2,493
Others	43,977	(8,870)	-	-	35,107
Total	795,807	(14,665)	-	-	781,143



Barque 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)

31 March 2021

Particulars	Balance as at 1 April 2020	Movement during FY 2020-21	Recognised in equity during FY 2020-21	Recognised in OCI during FY 2020-21	Balance as at 31 March 2021
Property, plant and equipment, capital work-in-progress and other intangible assets	(48,597)	(64,078)	-	-	(112,675)
Disallowance u/s 43B of Income-tax Act, 1961	5,767	(5,767)	-	-	-
Impairment in value of investments	12,514	-	-	-	12,514
Unabsorbed business losses and depreciation	652,076	196,757	-	-	848,833
Loss allowance for doubtful debts	179	(30)	-	-	149
Provision for employee benefits	3,681	(672)	-	-	3,009
Others	11,502	32,475	-	-	43,977
Total	637,122	158,685	-	-	795,807

E. Tax Losses carried forward

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

	As at 31 March 2022	
	Amount	Expiry Date (Financial Year)
Business loss	37,570	2022-23
Business loss	60,500	2023-24
Business loss	127,296	2024-25
Business loss	236,619	2025-26
Business loss	494,405	2026-27
Business loss	261,739	2027-28
Business loss	445,297	2028-29
Business loss	422,097	2029-30
Unabsorbed depreciation	1,896,560	Never expire

	As at 31 March 2021	
	Amount	Expiry Date (Financial Year)
Business loss	263	2021-22
Business loss	37,570	2022-23
Business loss	60,500	2023-24
Business loss	127,296	2024-25
Business loss	236,619	2025-26
Business loss	494,405	2026-27
Business loss	261,739	2027-28
Business loss	445,297	2028-29
Unabsorbed depreciation	1,652,544	Never expire



Barque 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)

	As at 31 March 2022	As at 31 March 2021
10 Other non-current assets <i>(Unsecured, considered good)</i>		
Prepaid expenses	2,682	1,367
Capital advances	-	1,112
Other receivables	12,019	17,180
	<u>14,701</u>	<u>19,659</u>
11 Inventories <i>(valued at lower of cost or net realisable value)</i>	As at 31 March 2022	As at 31 March 2021
Food and beverages	1,978	-
Stores and operating supplies	22	-
	<u>2,000</u>	<u>-</u>
12 Current financial assets - Trade receivables	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	15,397	11,784
Unsecured, credit impaired	995	594
	<u>16,392</u>	<u>12,378</u>
Less: Allowance for bad and doubtful debts	(995)	(594)
	<u>15,397</u>	<u>11,784</u>

a) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 43.

Trade receivables ageing schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	15,094	294	9	-	-	15,397
Undisputed Trade receivables - credit impaired	-	64	505	343	83	995

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	10,255	360	507	162	-	11,784
Undisputed Trade receivables - credit impaired	-	-	-	181	413	594



Barque 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)

	As at 31 March 2022	As at 31 March 2021
13 Current financial assets - Cash and cash equivalents		
Cash on hand	1,395	585
Balances with banks:		
- on current accounts	42,756	17,151
Bank deposits with original maturity of less than 3 months*	27,504	7,501
	<u>71,615</u>	<u>25,235</u>
* including interest accrued on bank deposits INR 4 (31 March 2021 - INR 1)		
14 Current financial assets - Bank balances other than cash and cash equivalents above		
	As at 31 March 2022	As at 31 March 2021
Bank deposits due to mature within 12 months from the reporting date*#	64,834	83,215
	<u>64,834</u>	<u>83,215</u>
# Includes bank deposits under lien amounting to INR 200 (31 March 2021 - INR 81,750)		
* including interest accrued on bank deposits INR 841 (31 March 2021 - INR 1,198)		
15 Current financial assets - Others		
	As at 31 March 2022	As at 31 March 2021
Unbilled revenue	8,328	3,318
Government grant #	982	731
Recoverable from subsidiary	-	28
	<u>9,310</u>	<u>4,077</u>
# The Company is availing export incentive under Service Exports from India Scheme (SEIS). Under the scheme, the Company is entitled to receive SFIS licenses based on the annual earnings in foreign currency. These licenses can be utilized by the Company or sold in the market. During the year, the Company has recognised income of INR 251 (31 March 2021 - INR Nil) and has recoverable balance of INR 982 (31 March 2021 - INR 731) as at the balance sheet date. During the year, the Company has written off INR Nil (31 March 2021 - INR 487)		
16 Other current assets (Unsecured, considered good)		
	As at 31 March 2022	As at 31 March 2021
Balance with government authorities	68,908	96,580
Advance to suppliers	11,845	14,493
Prepaid expenses*	11,386	8,829
Other receivables	5,031	6,374
	<u>97,170</u>	<u>126,276</u>
*Includes current portion of non-current prepaid expenses amounting to INR 507 (31 March 2021-INR 339)		
17 Asset held for sale		
	As at 31 March 2022	As at 31 March 2021
Asset held for sale	70,000	70,000
	<u>70,000</u>	<u>70,000</u>



18 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	38,378,975	383,790	30,050,000	300,500
	<u>38,378,975</u>	<u>383,790</u>	<u>30,050,000</u>	<u>300,500</u>
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	38,375,080	383,751	30,046,105	300,461
	<u>38,375,080</u>	<u>383,751</u>	<u>30,046,105</u>	<u>300,461</u>

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
Authorised share capital				
At the beginning of the year	30,050,000	300,500	30,050,000	300,500
Add: Issued during the year	8,328,975	83,290	-	-
Balance at the end of the year	<u>38,378,975</u>	<u>383,790</u>	<u>30,050,000</u>	<u>300,500</u>
Issued, subscribed and fully paid up				
At the beginning of the year	30,046,105	300,461	30,046,105	300,461
Add: Issued during the year	8,328,973	83,290	-	-
Balance at the end of the year	<u>38,375,080</u>	<u>383,751</u>	<u>30,046,105</u>	<u>300,461</u>

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having the par value of INR 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) Details of shareholders holding more than 3% equity shares in the Company and equity shares held by the Holding Company

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares on INR 10 each				
SAMEL Hotels Limited, Holding Company *	38,375,080	100%	30,046,105	100%

*1 equity share is held by Mr. Gyan Das as a nominee shareholder.

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

e) Refer Note 20 for shares reserved in respect to Fully Compulsorily Convertible Debentures ("FCCDs").

f) Terms of conversions of Fully Compulsorily Convertible Debentures ("FCCDs")

As per the terms of the debenture deed interest will accrue to the debenture holders till 27 September 2017 from the date of allotment. The fully compulsorily convertible debentures (FCCDs) will be compulsorily and mandatorily convertible into equity shares of the Company within a period of 12-20 years from the date of allotment. Holders of FCCD are entitled to convert all the FCCD into equity shares at any time within 15 days of giving notice to the Company as per following conversion terms:

Conversion Terms	Number of debentures as at 31 March 2022	Number of debentures as at 31 March 2021	Date of allotment	Last date of conversion
Conversion at the rate of 1:1 i.e. for every FCCD of INR 100 each, 1 equity share of INR 10 shall be issued at a premium of INR 90.	-	864,000	24 September 2009	23 September 2029
	-	1,255,100	06 July 2010	05 July 2030
	-	1,215,450	18 November 2011	17 November 2031
	-	4,997,385	31 August 2012	30 August 2032
Total	-	8,328,975		

FCCDs converted to equity shares on 7 October, 2021 as per above conversion terms.

Details of promoters shareholding as at year end:

As at 31 March 2022						
S.no	Promoter	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	SAMHL Hotels Limited (Holding Company)	30,046,105	8,328,975	38,375,080	100%	-

As at 31 March 2021						
S.no	Promoter	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	SAMHL Hotels Limited (Holding Company)	30,046,105	-	30,046,105	100%	-



19 Other equity

	As at 31 March 2022	As at 31 March 2021
Securities premium	1,546,108	796,500
Retained earnings	(4,177,473)	(2,521,753)
Equity component of concessional overdraft facility	18,690	18,690
Equity component of interest free loans from Holding company	2,447,333	2,192,783
Equity component of convertible PTK obligation	721,400	-
Equity component of fully compulsorily convertible debentures	179,170	1,012,068
	<u>735,228</u>	<u>498,288</u>

a) Securities premium

Balance at the beginning of the year	796,500	796,500
Add : Additions made during the year	749,608	-
Balance at the end of the year	<u>1,546,108</u>	<u>796,500</u>

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

b) Retained earnings

Balance at the beginning of the year	(3,521,753)	(2,899,707)
Less for the year	(655,795)	(621,993)
Transferred from other comprehensive income	75	(52)
Balance at the end of the year	<u>(4,177,473)</u>	<u>(3,521,753)</u>

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

c) Other comprehensive income - Remeasurement of defined benefit plans (net of tax)

Balance at the beginning of the year	-	-
Remeasurements of defined benefit liability / asset (net of tax)	75	(53)
Transferred to retained earnings	(75)	53
Balance at the end of the year	<u>-</u>	<u>-</u>

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

d) Equity component of concessional overdraft facility

Balance at the beginning of the year	18,690	18,690
Balance at the end of the year	<u>18,690</u>	<u>18,690</u>

This represents the impact of overdraft facility availed by the Company at an interest rate lower than the market interest rate.

e) Equity component of fully compulsorily convertible debentures

Balance at the beginning of the year	1,012,068	1,012,068
Coveration of fully compulsorily convertible debentures into equity shares	(832,898)	-
Balance at the end of the year	<u>179,170</u>	<u>1,012,068</u>

f) Equity component of convertible PTK obligation

Balance at the beginning of the year	-	-
Initial recognition of equity component of convertible PTK obligation	735,800	-
Net gain on fair valuation of equity component of convertible PTK obligation	(14,400)	-
Balance at the end of the year	<u>721,400</u>	<u>-</u>

This represents the fair value of convertible PTK obligation of non-convertible debentures issued during the current year (Refer Note 20).

Convertible PTK obligation is portion of accrued interest on the non-convertible debentures that may be converted into equity shares of SAMHI Hotels Limited (holding company) in accordance with the SAMHI shares allotment agreement dated 22 October 2021 between the Company, holding company and debenture trustee.

Valuation technique used to determine fair value

Specific valuation technique used to value convertible PTK obligation include:

- the fair value for equity component of convertible PTK obligation is calculated using discounted cash flows method and monte carlo simulations.

Details of significant unobservable inputs for measurement of fair values

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Equity component of convertible PTK (Other equity)	
Enterprise value of SAMHI Hotels Limited (holding company) ("EV")	The estimated fair value would increase (decrease) if the EV was higher (lower)
Risk free rate (31 March 2022 - 4.61% ; 31 March 2021 - NA)	The estimated fair value would decrease (increase) if the risk free rate was higher (lower)
Volatility rate (31 March 2022 - 92.20% ; 31 March 2021 - NA)	The estimated fair value would increase (decrease) if the volatility rate was higher (lower)



Barque 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)

Sensitivity analysis

For the fair value of equity component of convertible PKC obligation, reasonably possible changes at the reporting date due to one of the significant unobservable inputs, holding other inputs constant, would have following effects.

31 March 2022	Profit or (loss), net of tax	
	Increase	Decrease
Business value (3% movement)	(33,500)	33,200
Risk free rate (1% movement)	700	(800)
Volatility rate (1% movement)	(700)	600
g) Equity component of interest free loans from Holding company		
Balance at the beginning of the year	2,192,783	1,656,617
Add : Loan from Holding Company received - recognized directly in other equity	254,530	536,166
Balance at the end of the year	<u>2,447,313</u>	<u>2,192,783</u>

Movement of Interest free loans from Holding Company	As at	As at
	31 March 2022	31 March 2021
Total proceeds	2,436,816	2,182,266
Less: Equity component on initial recognition	(2,451,028)	(2,196,478)
	<u>(14,212)</u>	<u>(14,212)</u>
Add: Interest expense accretion	14,212	14,212
Closing balance of liability component	-	-
Equity component on initial recognition	2,451,028	2,196,478
Less: Tax impact	(3,695)	(3,695)
Equity component (net of tax)	<u>2,447,333</u>	<u>2,192,783</u>

Movement of Fully compulsorily convertible debentures	As at	As at
	31 March 2022	31 March 2021
Total proceeds	1,530,698	1,530,698
Less: Equity component on initial recognition and subsequent reclassification of liability component to equity component*	(1,604,669)	(1,604,669)
	<u>(73,971)</u>	<u>(73,971)</u>
Less: Liability component reversed on conversion of FCCDs	(383,110)	(383,110)
Add: Interest expense accretion	457,081	457,081
Closing balance of liability component	-	-
Equity component on initial recognition	1,604,669	1,604,669
Less: Tax impact	(254,570)	(254,570)
Less: Equity component on initial recognition	(1,170,929)	(338,031)
Equity component (net of tax)	<u>179,170</u>	<u>1,012,068</u>

*This represents equity component of fully compulsorily convertible debentures issued to SAMHI Hotels Limited (holding company). During the previous years, terms of FCCDs have been modified w.e.f 30 September 2018 i.e. the coupon rate has been reduced to zero. As per the amended terms, entire liability portion including interest outstanding as on 30 September 2018 has been transferred to other equity during the previous years based on principles of Ind AS. The corresponding deferred tax impact on such FCCDs has also been adjusted through other equity.



20 Non-current financial liabilities - Borrowings

	As at 31 March 2022	As at 31 March 2021
Term loans from financial institution secured (refer to below)	-	₹ 906,972
Non-convertible debentures* (refer to below)	2,292,389	-
Less: current maturities of long-term borrowings (refer note 25)	-	(2,706,972)
	<u>2,292,389</u>	<u>-</u>

* including interest accrued on non-convertible debentures of INR 257,377 (31 March, 2021 - INR Nil)

a) Term loans taken from financial institution

a. During the year ended 31 March 2019, the Company had obtained term loan facility from IL&FS Financial Services Limited amounting to INR 3,00,000.

b. The term loan was secured by following:

1. First charge of fully paid up equity shares by way of pledge on (i) 51 % shares of the Company held by SAMHI Hotels Limited and (ii) 100% shares of Paulmeh Hospitality Private Limited ("Subsidiary company") held by the Company.
2. First charge by way of equitable/mortgaged mortgage on immovable fixed assets (including mortgage of leasehold rights) of the Project (both present and future), for Company's and subsidiary company's owned land and building.
3. First charge by way of Security Interest (hypothecation including substitution of leasehold rights) of all the Project Assets.
4. First charge by way of hypothecation on the entire current assets of the Project, both present and future.
5. First charge by way of hypothecation on all fixed / moveable assets pertaining to the Project, both present and future.
6. First charge over Debt Service Reserve Account.

c. Term loan interest rate was financial institutions base rate minus 5.00% per annum, which was 10.90% per annum as at loan closure date i.e. 26 October 2021 (31 March 2021 - 10.20% per annum). The term loan amount was originally repayable by bullet repayment after 3 years from the date of first disbursement i.e. 26 April 2018.

During the year ended 31 March 2021, the Company had waited for extension of term loan in consonance with the circular DOR.No.BP.BC/321/04.04/2020-21 issued by Reserve Bank of India on 5 August 2021 on Resolution Framework for COVID-19-related Stress under which INR 150,000 was repaid on 23 April 2021 and remaining term loan amount was repaid on 26 October 2021 through issuance of non-convertible debentures.

b) Non-convertible debentures

a. On 22 October 2021, Debenture Trust Deed ("DTD") was executed between Barque Hotels Private Limited ("the Company"), Paulmeh Hospitality Private Limited (wholly owned subsidiary of the Company), SAMHI Hotels Limited (holding company) and Vistra II/CL (India) Limited ("Debenture Trustee"). Basis aforesaid Debenture Trust Deed, during the current year, the Company has issued 2,850 unlisted, secured, redeemable, non-convertible debentures of a face value of INR 10,00,000 each, aggregating to INR 2,850,000 on a private placement basis to Sarvam Investment Fund I on the terms and conditions set out in DTD.

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

(i) a first ranking mortgage on all immovable assets of the Company and its subsidiary, Paulmeh Hospitality Private Limited ("Subsidiary"), both present and future, including the Company's and Subsidiary's hotel properties.

(ii) a first ranking charge on all the moveable assets (current, non-current and movable fixed assets) of the Company and the Subsidiary, both present and future, including but not limited to:

- i) movable properties including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other non-current assets.
- ii) the permitted investments which includes government securities, fixed deposits in any scheduled commercial bank in India, which is not a lender to the Group, liquid mutual fund debt schemes,
- iii) intangible assets.
- iv) all current assets of the Company and the Subsidiary, including but not limited to the receivables of the Company and the Subsidiary including cash in hand, investments classified as "held for trading", raw materials, consumable stores and spares, bank debts, operating cash flow and stock in trade, and
- v) all investments and bank accounts of the Company and the Subsidiary and monies lying therein.

(i) a first ranking exclusive charge over all rights and receivables of the Holding Company which includes all amounts receivable by the Holding Company (whether as operational payments or otherwise) from the Company including but not limited to the receivables of the Holding Company under the inter-company loan agreement dated 1 December 2017 (as amended on 1 April 2019) for the unsecured and interest free inter-company deposit of INR 2,436,100.

(ii) a first ranking exclusive pledge over the shares and securities constituting 100% shareholding held by the Holding Company in the Company save and except the 1 equity share held by a nominee shareholder of the Holding Company.

(iii) the Corporate Guarantees provided by Paulmeh Hospitality Private Limited in favour of debenture trustee

(iv) all encumbrances created or to be created to secure the 4,100 unlisted, secured, redeemable, non-convertible debentures of a face value of INR 10,00,000 each, aggregating to INR 4,100,000 ("SAMHI JV Debentures") issued by SAMHI JV Business Hotels Private Limited ("SAMHI JV") in favour of the debenture holder, ranking pari passu with the Barque Debentures and the SAMHI JV Debentures.

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

(i) At all times during the tenure of non-convertible debentures, the debenture holder is entitled to a minimum IRR of not less than 21.38% per annum (i.e. 19.5% per annum compounded monthly).

(ii) Cash PIK is an amount that would give the debenture holder a return equal to 14.5% per annum compounded monthly during the term of debentures. Cash PIK obligation on non-convertible debentures is to be serviced at 1% p.a. payable monthly for the first 1 year, at 14.5% p.a. payable monthly for balance term of 3 years (to the extent applicable) and remaining obligation on redemption of debentures.

(iii) Convertible PIK is portion of accrued interest on the non-convertible debentures that may be converted into equity shares of SAMHI Hotels Limited (Holding Company) in accordance with the SAMHI shares allotment agreement dated 22 October 2021 between the Company, holding company and debenture trustee.

(iv) During the current year, the Company and debenture holder agreed interest of 3% of the nominal value of each non-convertible debentures issued as an additional interest.

(v) After lock-in period for the non-convertible debentures of 12 months from the date of first disbursement (i.e. 25 October 2021), these debentures are redeemable within 4 years at the option of the Company or at the end of 4 years from date of first disbursement. Further, the non-convertible debentures will be mandatorily redeemed within 30 days of occurrence of an IPO event.

e) The Company did not have any contingent 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 invitation from any lender for creating any loan facility.



Barque Hotels Private Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in Indian Rupee (₹), unless otherwise stated)

21 Non-current financial liabilities - Lease liabilities		As at	As at			
		31 March 2022	31 March 2021			
Lease liabilities (refer note 47)		<u>165,092</u>	<u>185,771</u>			
		<u>165,092</u>	<u>195,771</u>			
22 Non Current financial liabilities - Trade payables		As at	As at			
		31 March 2022	31 March 2021			
Trade payables						
- total outstanding dues of micro enterprises and small enterprises		-	-			
- total outstanding dues of creditors other than micro enterprises and small enterprises		9,884	-			
		<u>9,884</u>	<u>-</u>			
		<u>9,884</u>	<u>-</u>			
<p>a) Refer note 46 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEED)</p> <p>b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 43</p>						
Trade payables Ageing Schedule						
As at 31 March 2022						
	Outstanding for following periods from due date of payment					
Particulars	Accrued expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	446	7,314	3,134	-	9,884
Total	-	446	7,314	3,134	-	9,884
	<u>-</u>	<u>446</u>	<u>7,314</u>	<u>3,134</u>	<u>-</u>	<u>9,884</u>
As at 31 March 2021						
	Outstanding for following periods from due date of payment					
Particulars	Accrued expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
23 Non-current provisions		As at	As at			
		31 March 2022	31 March 2021			
Provision for employee benefits						
Gratuity (Refer note 34)		3,630	1,727			
Compensated absences (Refer note 34)		2,936	4,064			
		<u>49,466</u>	<u>5,792</u>			
24 Other non-current liabilities		As at	As at			
		31 March 2022	31 March 2021			
Income received in advance		82,418	87,651			
		<u>82,418</u>	<u>87,651</u>			
25 Current financial liabilities - Borrowings		As at	As at			
		31 March 2022	31 March 2021			
Current maturities of long-term borrowings (Refer note 20)		-	1,706,972			
		<u>-</u>	<u>1,706,972</u>			
26 Current financial liabilities - Lease liabilities		As at	As at			
		31 March 2022	31 March 2021			
Lease liabilities (refer note 47)		54,354	57,378			
		<u>54,354</u>	<u>57,378</u>			



Barque Hotels Private Limited

Notes to the financial statements for the year ended 31 March 2022
(Amounts are in Indian Rupees ('000), unless otherwise stated)

27 Current financial liabilities - Trade payables

As at
31 March 2022

As at
31 March 2021

Trade payables	As at 31 March 2022	As at 31 March 2021
- total outstanding dues of micro enterprises and small enterprises	1,693	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	167,625	129,254
	<u>169,318</u>	<u>129,254</u>

- a) Refer note 46 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSME/ED).
b) Refer note 42 for dues to related parties.
c) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 43.

Trade payables Ageing Schedule

As at 31 March 2022

Particulars	Accrued expenses	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	1,693	-	-	-	1,693
Others	47,374	119,931	-	-	320	167,625
Total	47,374	121,624	-	-	320	169,318

As at 31 March 2021

Particulars	Accrued expenses	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	48,427	71,535	9,055	189	248	129,254
Total	48,427	71,335	9,055	189	248	129,254

28 Current financial liabilities - Others

As at
31 March 2022

As at
31 March 2021

Employee related payables	As at 31 March 2022	As at 31 March 2021
Payable for capital assets	2,626	3,516
	-	19,912
	<u>2,626</u>	<u>23,428</u>

29 Other current liabilities

As at
31 March 2022

As at
31 March 2021

Advance from customers	As at 31 March 2022	As at 31 March 2021
Deferral government grant *	8,625	7,607
Income received in advance	-	2,523
Statutory dues payable	5,233	5,233
	11,246	15,363
	<u>25,104</u>	<u>47,375</u>

* Represents government assistance received under the Export Promotion Capital Goods Scheme of the Government of India in the form of custom duty exemption on import of capital equipment for use in its hotel projects. Under the Scheme, the Company is required to discharge the obligation over a period of not more than six years. The deferred revenue is released to profit or loss in ratio of fulfillment of associated export obligations. The Company has recognised income of INR 2,323 (31 March 2021 - INR 1,257) under this scheme during the year.

30 Current provisions

As at
31 March 2022

As at
31 March 2021

Provision for employee benefits	As at 31 March 2022	As at 31 March 2021
Gratuity (refer note 24)	85	80
Compensated absences (refer note 24)	1,875	2,722
	<u>2,760</u>	<u>3,522</u>



Barque 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)

31 Revenue from operations	For the year ended 31 March 2022	For the year ended 31 March 2021
<i>Sale of products and services</i>		
- Room revenue	469,261	232,047
- Food and beverage revenue	70,001	58,771
- Recreation and other services	4,796	5,273
	<u>544,058</u>	<u>296,091</u>
<i>Other operating revenues</i>		
- Space rentals	2,920	2,254
	<u>2,920</u>	<u>2,254</u>
	<u>546,978</u>	<u>298,345</u>

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).

	As at 31 March 2022	As at 31 March 2021
Contract liabilities		
- Advance from customers	8,623	7,607
- Income received in advance	87,651	92,884
Contract assets		
- Unbilled revenue	8,328	3,318

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.

32 Other income	For the year ended 31 March 2022	For the year ended 31 March 2021
<i>Interest income from financial assets at amortised cost</i>		
- bank deposits	1,199	260
- security deposits	-	77
Government grant	2,775	2,237
Unwinding of discount on security deposit	6,888	6,474
Interest on income tax refund	-	1,347
Interest on advance recoverable	3,051	7,246
Liabilities written back	-	117
Net gain on fair valuation of equity component of convertible PTK obligation	14,400	-
Amortisation of income received in advance	5,233	5,233
Miscellaneous income	299	358
	<u>33,845</u>	<u>23,369</u>

33 Cost of materials consumed	For the year ended 31 March 2022	For the year ended 31 March 2021
<i>Consumption of food and beverages</i>		
Inventory at the beginning of the year	-	-
Add: Purchases	49,817	37,434
Inventory at the end of the year	(2,000)	-
	<u>47,817</u>	<u>37,434</u>

34 Employee benefits expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	120,069	133,889
Contribution to provident fund and other funds (refer 'a' below)	8,776	10,288
Compensated absences (refer 'b' below)	149	718
Gratuity expense (refer 'c' below)	734	713
Staff welfare expenses	13,759	13,243
	<u>143,487</u>	<u>158,851</u>



a. Defined Contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Labour Welfare Fund and Employees' State Insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to profit or loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund, Labour Welfare Fund and Employees' State Insurance for the year aggregated to INR 8,776 (31 March 2021 - INR 10,288) Also refer note 40.

b. Compensated absences

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

Particulars	For the year ended	For the year ended
	31 March 2022	31 March 2021
	%	%
Discounting rate (p.a.)	4.97	4.53
Future salary increase (p.a.)	8.00	8.00

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 summarises the components of net benefit expense recognized in profit or loss and amounts recognized in the Balance Sheet for the said plan:

a) Expense recognised in Profit or Loss

	For the year ended	For the year ended
	31 March 2022	31 March 2021
Current service cost	619	613
Interest cost	115	100
Total included in 'Employee benefits expense'	734	713

b) Remeasurements recognized directly in other comprehensive income

	For the year ended	For the year ended
	31 March 2022	31 March 2021
Net actuarial (gain)/loss recognized in the year from:		
- changes in demographic assumptions	(9,822)	(10,312)
- changes in financial assumptions	(1,106)	1,522
- changes in experience adjustments	10,853	8,843
Amount recognized in other comprehensive income	(75)	53

c) Change in present value of benefit obligation

	For the year ended	For the year ended
	31 March 2022	31 March 2021
Present value of obligation as at the beginning of the year	2,527	1,982
Current service cost	619	613
Interest cost	115	100
Remeasurements of defined benefit liability / asset (net of tax)	(75)	53
Benefits paid	(335)	(221)
Present value of obligation as at the end of the year	2,851	2,527

d) Amounts to be recognized in Balance sheet

	As at	As at
	31 March 2022	31 March 2021
Present value of the defined benefit obligation at the end of the year	2,851	2,527
Fair value of plan assets at the end of the year	-	-
Funded status	-	-
Net liability recognized in the Balance Sheet	2,851	2,527
Non-current	2,020	1,727
Current	831	800



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

	As at 31 March 2022	As at 31 March 2021
Economic assumptions	%	%
Discounting rate (p.a.)	4.97%	4.53%
Future salary increase (p.a.)	8.00%	8.00%

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
Withdrawal Rate		
Ages		
Up to 30 Years	84%	84%
From 31 to 44 years	84%	84%
Above 44 years	84%	84%
Mortality rate	100% Indian assured lives mortality (2012 - 14)	100% Indian assured lives mortality (2012 - 14)

f) The Company best estimate of expense for the next year is INR 695 (31 March 2021: INR 650)

iii. Sensitivity analysis

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

	31 March 2022	
	Increase *	Decrease *
Discount rate (0.5% movement)	(31)	32
Future salary growth (0.5% movement)	31	(31)
	31 March 2021	
	Increase *	Decrease *
Discount rate (0.5% movement)	(28)	29
Future salary growth (0.5% movement)	28	(28)

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 and negative amount represents decrease in provision

g) Maturity profile of defined benefit obligation

Year	As at 31 March 2022
April 2022- March 2023	830
April 2023- March 2024	1,377
April 2024- March 2025	265
April 2025- March 2026	42
April 2026- March 2027	7
April 2027- March 2028	1
April 2028 onwards	328
	<u>2,850</u>

Year	As at 31 March 2021
April 2021- March 2022	800
April 2022- March 2023	942
April 2023- March 2024	210
April 2024- March 2025	36
April 2025- March 2026	6
April 2026- March 2027	1
April 2027 onwards	532
	<u>2,527</u>



Barque Hotels Private Limited
Notes to the financial statements for the year ended 31 March 2022
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	For the year ended 31 March 2022	For the year ended 31 March 2021
35 Finance costs		
Interest expense on financial liabilities carried at amortised cost on:		
Term loan from financial institution*	141,150	270,910
Non-convertible debentures †	266,326	-
Interest expense on lease liabilities	23,887	26,989
Other borrowing cost	32,919	-
Interest expense on delay in deposit of statutory dues	5,107	4,010
	<u>469,389</u>	<u>301,909</u>
* net of interest income on loan funds amounting to INR 13,303 (31 March 2021) - INR 20,149)		
† net of interest income on loan funds amounting to INR 10,079 (31 March 2021) - INR Nil)		
36 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	169,027	170,971
Amortisation of Right-of-use assets	17,753	13,397
Amortisation of intangible assets	2,216	2,222
	<u>188,996</u>	<u>186,590</u>
37 Other expenses		
Rates and taxes	27,770	11,666
Training expenses	474	623
Power and fuel	36,238	45,046
Rent expenses (refer Note 47)	30,901	15,004
Commission	45,054	24,053
Management and incentive fees	16,985	6,589
Repair and maintenance:		
- Building	10,043	8,678
- Machinery	14,266	9,365
- Others	391	247
Travelling expenses	5,462	4,225
Communication	17,641	19,065
Insurance	5,312	5,009
Provision for bad and doubtful debts	401	-
Television expenses	2,590	1,955
Consumption of stores and supplies	27,525	18,946
General administration expenses	2,971	2,160
Contractual labour	30,146	23,472
Payment to auditors (refer below) *	2,043	1,671
Legal and professional charges	79,359	38,025
Government grant written off	-	477
Advertisement and business promotion	12,962	7,779
Miscellaneous expenses	736	1,649
	<u>389,273</u>	<u>246,304</u>
*Payment to auditors		
Statutory audit	2,000	1,400
Reimbursement of expenses	43	151
Other services	-	120
	<u>2,043</u>	<u>1,671</u>
38 Exceptional Items		
Gain on lease assets (refer Note 30)	(2,344)	-
Capital work-in progress written off (refer Note 30)	-	12,619
	<u>(2,344)</u>	<u>12,619</u>
39 Earnings per share (EPS)		
Net loss attributable to equity shareholders	(533,795)	(621,993)
Weighted average number of equity shares outstanding during the period for calculation of basic EPS	34,062,268	30,016,105
Weighted average number of equity shares outstanding during the period for calculation of diluted EPS*	34,062,268	30,016,105
Nominal value of equity share (INR)	10	10
Basic earnings per share (INR)	(19.25)	(20.70)
Diluted earnings per share (INR)*	(19.25)	(20.70)

* 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.



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

Contingent liabilities

(i) The Company is subject to legal proceedings and claims, on account of Hosur land dispute. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

(ii) The Company had received an assessment order for financial year 2015-16 whereby an addition of INR 1,128 has been made to the total income of the Company. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition. During the current year, the Company has settled the matter under Vivad Se Vishwas Scheme.

(iii) The Company has received an assessment order for financial year 2016-17 whereby an addition of INR 296,965 has been made to the total income of the Company. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal. Based on the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(iv) The Company has received a penalty order u/s 271C of the Income-tax Act, 1961 for financial year 2015-16 whereby a penalty has been imposed on the Company of INR 120. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) against the said penalty order which is pending for disposal. Based on the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(v) The Company has received a penalty order u/s 271C of the Income-tax Act, 1961 for financial year 2016-17 whereby a penalty has been imposed on the Company of INR 1,095. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) against the said penalty order which is pending for disposal. Based on the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(vi) 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 and Miscellaneous Provisions Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. In the previous year ended 31 March 2019, the Company had made a provision for provident fund contribution for the financial year 2018-19 in the books of accounts amounting to INR 1,577. Based on legal advice, the Company reversed the provision made for the period April 2018 to February 2019 amounting to INR 1,395 in the previous year ended 31 March 2020.

Commitments

(i) The Company has availed custom duty exemptions under the Export Promotion Capital Goods Scheme of the Government of India on import of capital equipment for use in its hotel project. Under the Scheme, the Company is required to discharge the obligation over a period of next six years. The Company's export obligations outstanding under the scheme aggregate INR Nil (31 March 2021 - INR 15,140) [net of earnings in foreign currency].

41. 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 decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. CODM has examined the Company's performance from product and geographic perspective and has identified a single business segment i.e. "Developing and running of hotels", hence no specific disclosures have been made.

A. Information about products and services

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

B. Information about geographical areas

The Company provides services to customers in India. Further, there are no 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 Company's revenue.



42 Related party disclosures

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

Nature	Name of related party
Holding Company	SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Subsidiary	Paulmech Hospitality Private Limited

b) Related parties with whom transactions have taken place during the current and previous year:

Description of relationship	Name of related party
Holding Company	SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Fellow Subsidiary	Ascent Hotels Private Limited
Subsidiary	Paulmech Hospitality Private Limited

c) Related party transactions during the current year/ previous year:

Particulars	Holding Company		Fellow Subsidiary/Subsidiary	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Unsecured loan given				
Paulmech Hospitality Private Limited	-	-	5,100	8,600
Loan from Holding Company received (directly recognized in other equity)	254,550	536,166	-	-
Conversion of fully compulsorily convertible debentures into equity shares				
SAMHI Hotels Limited	832,898	-	-	-
Interest income on unsecured loan				
Paulmech Hospitality Private Limited	-	-	23,282	20,150
Cost allocation from Holding Company				
SAMHI Hotels Limited	64,094	20,804	-	-
Reimbursement of expenses incurred				
Ascent Hotels Private Limited	-	-	54	-
Cost allocation to subsidiary				
Paulmech Hospitality Private Limited	-	-	-	358
Initial recognition of equity component of convertible PIK obligation				
SAMHI Hotels Limited	735,800	-	-	-
Net gain on fair valuation of equity component of Convertible PIK obligation				
SAMHI Hotels Limited	(14,400)	-	-	-

In addition to transactions mentioned above,

- There was a pledge over shares held and owned by the Holding Company in respect of borrowings from financial institution till 25 October 2021
- The Holding Company has given a guarantee for refund of professional fee to InterContinental Hotels Group (India) Private Limited ("Manager") / InterContinental Hotels Group (Asia Pacific) Pte. Ltd. ("Licensor") in case of cancellation of the Operating Services agreement with the operator.
- The Company had pledged freehold land of Paulmech Hospitality Private Limited, subsidiary company in respect of loan obtained from financial institution till 25 October 2021
- The Holding Company had provided a corporate guarantee on behalf of the Company in respect of term loan obtained from financial institution till 25 October 2021.
- The Holding Company had provided a DSRA undertaking on behalf of the Company in respect of term loan obtained from financial institution till 25 October 2021
- Refer Note 20 for security and corporate guarantee in respect of non-convertible debentures



Barque Hotels Private Limited

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d) Related party balances as at year end

Particulars	Holding Company		Fellow Subsidiary/Subsidiary	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Equity component of Fully compulsorily convertible debentures				
SAMHI Hotels Limited	179,170	1,012,068	-	-
Equity component of concessional overdraft facility				
SAMHI Hotels Limited	18,690	18,690	-	-
Equity component of interest free loans from Holding company				
SAMHI Hotels Limited	2,447,333	2,192,783	-	-
Equity component of convertible PIK obligation				
SAMHI Hotels Limited	721,400	-	-	-
Trade payables				
SAMHI Hotels Limited	65,899	14,297	-	-
Ascent Hotels Private Limited	-	-	54	-
Investment in subsidiary				
Paulmech Hospitality Private Limited	-	-	120,722	120,722
Provision for impairment in value of investments in subsidiary	-	-	49,722	49,722
Loan to subsidiary (including accrued interest)				
Paulmech Hospitality Private Limited	-	-	220,667	192,277
Other receivables				
Paulmech Hospitality Private Limited	-	-	-	28

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year-end are unsecured and are 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.



43 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) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	As at 31 March 2022			Amortised Cost
	Level of Hierarchy	Fair Value Through Profit or Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	
Financial assets				
Non-current				
Loans		-	-	220,567
Others				
<i>Bank deposits with maturity more than 12 months from the reporting date</i>		-	-	1,560
<i>Securities deposits</i>	3	-	-	66,178
Current				
Trade receivables		-	-	15,387
Cash and cash equivalents		-	-	71,615
Bank balances other than cash and cash equivalents above		-	-	64,534
Others		-	-	9,210
Total financial assets		-	-	449,561
Financial liabilities				
Non-current				
Borrowings	2	-	-	1,292,289
Lease liabilities	3	-	-	165,052
Trade payables		-	-	9,884
Current				
Trade payables		-	-	169,318
Lease liabilities	3	-	-	54,364
Others		-	-	2,626
Total financial liabilities		-	-	1,693,873

Particulars	As at 31 March 2021			Amortised Cost
	Level of Hierarchy	Fair Value Through Profit or Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	
Financial assets				
Non-current				
Loans		-	-	192,277
Others				
<i>Bank deposits with maturity more than 12 months from the reporting date</i>		-	-	1,782
<i>Securities deposits</i>	3	-	-	64,323
Current				
Trade receivables		-	-	11,781
Cash and cash equivalents		-	-	25,253
Bank balances other than cash and cash equivalents above		-	-	83,215
Others		-	-	1,077
Total financial assets		-	-	382,895
Financial liabilities				
Non-current				
Lease liabilities	3	-	-	199,771
Current				
Borrowings	2	-	-	2,706,972
Trade payables		-	-	129,254
Lease liabilities	3	-	-	57,378
Others		-	-	23,439
Total financial liabilities		-	-	3,112,834



Barque Hotels Private Limited
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Financial assets and liabilities measured at amortised cost - Fair value measurements

	As at 31 March 2022	As at 31 March 2021
Non-current financial assets		
Others - Security deposits (Level 3)	67,432	63,152

The fair value of trade receivables, unbilled revenue, 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 financial institution) 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 other non-current 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.

The carrying value of lease liabilities and non-current trade payables approximates the fair value as on the reporting date, as these are carried at amortised cost and are based on the net present value of the anticipated future cash flows using applicable discount rate.

The fair values for security deposits forming part of non-current other financial assets were calculated based on discounted cash flows using an appropriate discount 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, listed bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as far 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 2.

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 at the end of the reporting period.

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

-The fair value of security deposits were calculated based on cash flows discounted using lending rate.

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

1. 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 tailor to the credit risk for business with banks, only high rated banks are accepted.

The Company has given security deposits in vendors and government departments for rental deposits for hotel properties/ securing services from them, and rental deposits for employee accommodations. The Company has also recognized government grant recoverable in respect of export incentives. Further, the Company has loan balances outstanding as at year end from its subsidiary. The Company does not expect any default from these parties and accordingly the risk of default is negligible or nil.

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

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

Reconciliation of loss allowance provision

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	594	711
Changes in loss allowance	401	(117)
Closing balance	995	594



ii. Liquidity risk

The Company's approach of 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 holding company's Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. Refer note 49 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:

	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
31 March 2022						
Non-current borrowings	2,202,389	2,087,277	-	-	3,087,277	-
Non-current Trade payables	9,884	9,884	-	9,884	-	-
Lease liabilities	219,636	430,728	54,564	45,914	105,242	225,008
Current Trade payables	169,318	169,318	169,318	-	-	-
Other current financial liabilities	2,626	2,626	-	-	-	-
	2,693,873	3,699,833	226,500	55,798	3,192,519	225,008
31 March 2021						
Current borrowings	2,706,972	2,697,582	2,697,582	-	-	-
Lease liabilities	258,140	468,874	57,378	54,564	118,952	237,940
Current Trade payables	129,234	129,254	129,254	-	-	-
Other current financial liabilities	23,439	23,439	23,439	-	-	-
	3,112,834	3,319,172	2,907,676	54,564	118,952	237,940

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 exposure or the value of its holdings of financial instruments.

Currency risk

The Company's exposure to foreign currency risk is on account of payables or 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 was as follows:

	Currency	Amount in foreign currency (in thousands)	Amount in INR (in thousands)
31 March 2022			
Financial liabilities			
Trade payables	USD	-	-
31 March 2021			
Financial liabilities			
Trade payables	USD	18	1,286

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.

Effect in INR	(Profit) / loss		Equity, net of tax (increase) / decrease	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
1% movement USD (1% movement)	-	-	-	-
31 March 2021				
USD (1% movement)	13	(13)	13	(13)
	13	(13)	13	(13)



Interest rate risk

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

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

Exposure to interest rate risk

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

	Nominal amount	
	31 March 2022	31 March 2021
Fixed-rate instruments		
Financial assets - bank deposits	92,898	92,497
Financial assets - Loan to subsidiary	220,667	192,277
Financial liabilities - Borrowing non-convertable debt (Refer Note 20)	2,292,380	-
Variable-rate instruments		
Financial liabilities - Borrowing financial institution secured (Refer Note 20)	-	2,706,972

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.

Sensitivity analysis for variable-rate instruments

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

	(Profit) / loss		Equity, net of tax (increase) / decrease	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
31 March 2022				
Financial liabilities	-	-	-	-
31 March 2021				
Financial liabilities	27,500	(27,500)	27,500	(27,500)
	27,500	(27,500)	27,500	(27,500)

44 Capital Management

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

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

As a part of its capital management policy, the Company ensures compliance with all covenants and other capital requirements related to regulatory or contractual obligations of material consequence to the Company. Also, refer note 49.



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Notes to the financial statements for the year ended 31 March 2022
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45 Disclosure as per Ind AS 27 - Separate Financial Statements

Name of subsidiary	Principal activity	Principal place of business	Ownership interest at	
			As at 31 March 2022	As at 31 March 2021
Paulmech Hospitality Private Limited	Hotels	India	100%	100%

The above investments in subsidiary is measured at cost.

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

	As at 31 March 2022	As at 31 March 2021
Dues to micro, small and medium suppliers		
The amounts remaining unpaid to any supplier as at the end of the year:		
Principal amount	1,194	-
Interest thereon	13	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amount of payments made to Micro and Small Suppliers beyond the appointed day during each accounting year	11,069	-
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.	486	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	499	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	499	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 and 31 March 2021 has been made in the financial statements based on information received and available with the Company.

47 Lease disclosures

Details of rent expenses:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Expense relating to variable lease payments	39,901	15,604

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

Particulars	As at 31 March 2022	As at 31 March 2021
0-1 year	54,564	57,378
1-2 years	43,514	54,564
2-5 years	105,242	118,992
More than 5 years	225,008	237,940
Total Lease payments	430,728	468,874

The reconciliation of lease liabilities is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	253,149	283,538
Amounts recognized in Statement of Profit and Loss as interest expense	23,887	26,988
Payment of lease liabilities	(57,380)	(57,378)
Closing Balance (Refer Note 21 and 26)	219,656	253,149

Leases entered by the Company are long term in nature and the underlying leased properties are being used as hotel properties.



Barque Hotels Private Limited

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

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- 48 During the current year, SAMHI Hotels Limited (the Holding Company) has allocated expenses amounting INR 64,094 (31 March 2021 - INR 20,894) as Company's share of project expenses and other cost incurred.

49 Note on Going concern and Impact of COVID 19

The Company is facing liquidity challenges which have been accentuated by uncertainty due to COVID-19. The Company has net worth of INR 1,118,979 as at 31 March 2022, incurred a net loss of INR 655,795 during the year ended 31 March 2022. As on 31 March 2022, the Company has issued non-convertible debentures and there are no repayments due within 12 months of the balance sheet date. The company has cash and bank balance of INR 71,515 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 impeded 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 3,053 and 68%. The Company has continued financial and operational support provided to the Company by SAMHI Hotels Limited (the holding company) and has projected to generate profits from its operations.

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.

In view of the above, the management and the Board of Directors believe that the Company will be able to meet all its contractual obligations and liabilities as and when they fall due in near future and accordingly, these financial statements have been prepared on a going concern basis.



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

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

50 During previous financial year, the Company scrapped the plan for construction of Goregaon hotel (Mumbai, Maharashtra) and hence capital work in progress in relation to same amounting to INR 12,519 had been written off as an exceptional item in the Statement of Profit and Loss. During the current year, the Company has terminated the lease agreement for Goregaon (Mumbai, Maharashtra) property. Accordingly, additional amortisation charge of INR 15,332 is recorded on RTO assets and security deposit amounting to INR 21,000 was refunded by lessor.

51 New standards and interpretations, not yet adopted

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

Ind AS 101 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the recognition 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 recognition date. These changes do not significantly change the requirements of Ind AS 101. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendments require an entity to deduct 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 in Ind AS (2021)

The amendment clarifies which loss an entity incurs when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 104 - 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 the illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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

Ratio	in times/%	Numerator	Denominator	31 March 2022	31 March 2021	Remarks
Current Ratio	in times	Total Current Assets	Total Current Liabilities	1.2	0.1	Current ratio has increased due to repayment of current borrowings
Debt-Equity Ratio	in times	Total Borrowings	Total Equity	2.0	5.1	Debt equity ratio has decreased due to decrease in debt and increase in equity
Debt Service Coverage Ratio	in times	Loss before finance costs, depreciation, amortisation, tax and exceptional items	Debt service : Finance costs paid + Principal Repayments of long term borrowings	0.0	(0.1)	Debt Service coverage ratio has improved due to significant improvements in financial performance during the current year
Return on Equity Ratio	in %	Loss after tax	Average Total Equity	-38.4%	-73.9%	Return on equity ratio has improved due to significant improvements in financial performance during the year
Inventory turnover ratio *	in times	NA	NA	NA	NA	NA
Trade Receivables turnover ratio	in times	Revenue from operations	Average Trade Receivables	10.2	12.1	Trade receivables turnover ratio increased due to better efficiency in collections
Trade payables turnover ratio	in times	Cost of materials consumed + Other expenses	Average Trade Payables	2.9	1.6	Trade payables turnover ratio increased with increase in volume of business activity during the year.
Net capital turnover ratio	in times	Revenue from operations	Average Working capital : Current assets - Current liabilities	(0.4)	(0.3)	The change is on account of increase in revenue from operations due to improvement in business
Net profit ratio	in %	Net Profit/(Loss)	Revenue from operations	-110.0%	-208.5%	Net profit ratio improved over the previous year with an improvement in business volumes and cost containment measures during the year.
Return on Capital employed	in %	Loss before interest and taxes	Capital Employed : Tangible Net Worth + Total Borrowings	-5.5%	-9.2%	Return on capital employed improved with improvement in operating margins during the year.
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 inventory for consumption in the service of food and beverages and the proportion of such inventory is insignificant to Total Assets.
- # **Return on investments:** Since the Company holds surplus funds which are temporary in nature to ensure adequate liquidity during the year.

53 Other statutory information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other persons or entities (including foreign entities (Intermediaries)) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lead or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like in or on behalf of the Ultimate Beneficiaries.
- The Company has not 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).
- The Company has not been declared a wilful defaulter by any bank or other lender (as defined under the Companies Act, 2013), in accordance with the guidelines on wilful defaulters.
- The title deeds of immovable properties (if any immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, original title deeds are under lien with debenture trustee for the non-convertible debentures issued by the Company during the current year.



Barque Hotels Private Limited

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

(All amounts are in Indian Rupees/INR, unless otherwise stated)

54. Change in classification

a. Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2014, 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 financial statements were reclassified for consistency.

	As per earlier reported	Revised classification
Assets		
Non current assets		
Financial assets		
Loans	256,802	192,277
Others	1,782	66,307
Liabilities		
Current liabilities		
Financial liabilities		
Borrowings	-	2,706,972
Others	2,730,431	23,459

b. During the year ended 31 March 2022, Company has revised the presentation of certain notes to the financial statements for better presentation. Comparative amounts in the notes to the financial statements were reclassified for consistency.

	As per earlier reported	Revised classification
Other Expenses		
Hotel Running Expenses	17,326	-
Consumption of stores and supplies	-	17,326
Legal and professional charges	23,472	-
Contractual labour	-	23,472

55. a. Through issue of non-convertible debentures (refer Note 20), the Company has received an amount of Rs 2,850,000 on 25 October 2021 from Sarvam Investment Fund I. As per the terms of Debensture Trust Deed dated 27 October 2021, out of the aforesaid amount, Rs 512,000 had to be utilized for part financing the capital expenditure for developing and operationalizing the under construction Kollata property of Paulsco Hospitality Private Limited, a wholly owned subsidiary company*. As on 31 March 2022, such inward loaning / investment has not taken place and hence, amount is lying unutilized with the Company.

b. During the current year, the Company has received an interest free loan repayable at the option of the borrower amounting to Rs 234,350 on various dates from SAMHI Hotels Limited, holding company. Out of the aforesaid amount, Rs 5,100 has been utilized for providing an interest bearing loan to Paulsco Hospitality Private Limited a wholly owned subsidiary company* (details of which are provided in table below). The above loans have been advanced for general corporate purposes and in the ordinary course of business.

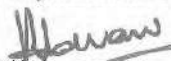
With respect of aforesaid transaction, the relevant provisions of the Companies Act, 2013 has been complied with and further, the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2002).

* Step down subsidiary of SAMHI Hotels Limited

Date of loan given to subsidiary company	Amount	Details of subsidiary company	Details of holding company
30-Apr-21	200,000	Paulsco Hospitality Private Limited	SAMHI Hotels Limited
30-Jul-21	400,000	CIN: 185101DL2010FP-C211816	
26-Jul-21	200,000	CIN: Registered Office: Casula Hotels	
16-Sep-21	100,000	US5101WR2010PTC151706	Delhi, District Centre Crossing, Opp.
29-Sep-21	200,000	Registered Office: Plot No. C1-	Galaxy Toyota Outer Ring Rd, Haider
9-Nov-21	300,000	IS, PR. No -01-0240 AA-	Par, Shalimar Bagh Delhi North West
14-Dec-21	2,520,000	FC, Newsona, Rajarajal, Kulkara	DL 110088 IN
22-Feb-22	600,000	WB 700156 IN	
28-Feb-22	400,000		
31-Mar-22	200,000		

As per our report of even date attached.

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


Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 06 September 2022

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


Manish Bhargava
Director
DIN: 06813081


Manish Bhargava
Director
DIN: 08092409


Anish Jain
Company Secretary
Membership No.: A10088

Place: Gurugram
Date: 06 September 2022

Place: Gurugram
Date: 06 September 2022

Place: Gurugram
Date: 06 September 2022