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Chartered Accountants

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Independent Auditor's Report

To the Members of SAMHI Hotels (Ahmedabad) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SAMHI Hotels (Ahmedabad) 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 41 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. AAB-8181) 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 - 400063

Independent Auditor's Report (Continued)
SAMHI Hotels (Ahmedabad) 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



Independent Auditor's Report (Continued)

SAMHI Hotels (Ahmedabad) 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 35 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 47(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or

Independent Auditor's Report (Continued)

SAMHI Hotels (Ahmedabad) 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, as disclosed in the Note 47(v) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, no remuneration has been paid or payable by the Company to its directors during the current year 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: 20 September 2022

Membership No.: 091765

ICAI UDIN:22091765ATIEHE5978

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

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in a period of 3 years. In accordance with this programme, no property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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 leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land- Sub Plot No.4 of Final Plot No. 578 of Town Planning Scheme No. 3/5 (varied) of Ahmedabad, Situated at Mouje Chhadavad, Taluka City, District Ahmedabad	Rs. 275,000 thousand	Satkar Realties Pvt. Ltd.	No	27 March 2006	The sale deed of land is in the name of Satkar Realties Pvt. Ltd., erstwhile name of the Company which was changed to Royal Orchid Ahmedabad Private Limited and after that SAMHI Hotels (Ahmedabad) Private Limited. Fresh

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

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
					certificate of incorporation consequent to change of name dated 14 May 2010 and 16 August 2012 respectively was issued by the Registrar of Companies, National Capital Territory of Gujarat

However, original title deeds of lands are under lien with bank for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmation from bank.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Refer Note 47(i) to the financial statements.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank and on the basis of security of current assets. As informed to us and as per the terms of sanction letter of such limits, there is no requirement on the Company to submit quarterly returns or statements with such bank.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided

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

guarantee or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided security and granted loan to company 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 given to us the Company has provided loans and security to another entity as below:

Particulars	Guarantees	Security (Rs. in '000)	Loans (Rs. in '000)	Advances in nature of loans
Aggregate amount during the year Holding Company* (SAMHI Hotels Limited)	-	1,600,000	132,500	-
Balance outstanding as at balance sheet date Holding Company* (SAMHI Hotels Limited)	-	750,000	132,500	-

**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 has been stipulated. However, no repayments or receipts were due during the year. 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, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security to any of the parties covered under section 185 of the Companies Act, 2013 and therefore the relevant provisions of Sections 185 are not applicable to the Company. The Company has complied with section 186(1) of the Companies Act, 2013. According to the information and explanations given to us, the provisions of Section 186 (except for sub-section (1) of the Section 186) of the Companies Act, 2013 are not applicable to the

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

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 provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, 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 Service Tax ('GST'), Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Goods and Service Tax ('GST'), Provident fund, Employees State Insurance, Professional Tax and Labour Welfare Fund. Further in respect of Income-Tax, the Company has been irregular in depositing the sum due throughout the year and the amount involved is Rs. 40,104 thousands.

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

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

Name of the statute	Nature of the dues	Amount (Rs. in '000)	Period to which the amount relates	Due date	Date of payment
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court) Refer Note 35	265	March 2019	15 April 2019	Not yet paid
Bombay provincial Municipal corporations Act, 1949	Property tax	2,182	FY 2019-20	30 April 2019	Not yet paid
Bombay provincial Municipal corporations Act, 1949	Property tax	2,181	FY 2020-21	30 April 2020	Not yet paid
Bombay	Property tax	1,800	FY 2021-	30 April 2021	Not yet paid

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

Name of the statute	Nature of the dues	Amount (Rs. in '000)	Period to which the amount relates	Due date	Date of payment
provincial Municipal corporations Act, 1949			22		
Central Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017	Interest liability on Goods and Services Tax	302	December 2017 to August 2021	#	Not yet paid

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Value added tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs.in '000)	Period to which the amount relates	Forum where dispute is pending	Remarks , if any
Value Added Tax Act, 2003	VAT liability	1,708	FY 2014-15	Dy. State Tax Commissione r, Ahmedabad	NA

- (vii) 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. 392,693 thousands (nominal amount of Rs. 3,750 thousands) from the holding company, repayable at the option of the Company and accordingly classified as "Other equity". As this loan is repayable at the option of the Company, there has been no default in repayment thereof.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been

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

used for long-term purposes by the Company.

- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a wholly owned subsidiary and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(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.



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

- (xvii) The Company has incurred cash losses of Rs. 382,012 in the current financial year and Rs. 500,406 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 41 to the financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2022. Further, it explains the management's assessment of going concern assumption and financial impact on account of COVID-19 pandemic situation and its assertion that based on best estimates made by it, the Company will continue as a going concern i.e. continue its operations and will be able to discharge its liabilities and realise its assets, for the foreseeable future.

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

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

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

Chartered Accountants

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



Vikram Advani

Partner

Place: New Delhi

Date: 20 September 2022

Membership No.: 091765

ICAI UDIN:22091765ATIEHE5978

Annexure B to the Independent Auditor's Report on the financial statements of SAMHI Hotels (Ahmedabad) 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 SAMHI Hotels (Ahmedabad) 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



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

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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: 20 September 2022

Membership No.: 091765

ICAI UDIN:22091765ATIEHE5978

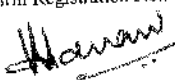
SAMHI Hotels (Ahmedabad) Private Limited
Balance Sheet as at 31 March 2022
(All amounts are in Indian Rupees ('000), unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,862,323	3,026,603
Right to use asset	3	105,581	107,762
Investment property	3	149,164	152,245
Intangible assets	4	7,596	10,855
Financial assets	5	30,571	44,071
Others	6	20,011	8,101
Income tax assets (net)	6	2,830	3,400
Other non-current assets	8	3,178,076	3,353,037
Total non-current assets			
Current assets			
Inventories	9	4,277	5,529
Financial assets	10	53,861	51,767
Trade receivables	11	109,607	62,159
Cash and cash equivalents	11a	134,662	-
Loans	12	31,257	25,046
Others	13	53,565	31,093
Other current assets		387,229	175,594
Total current assets		3,565,305	3,528,631
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	21,649	21,649
Other equity	15	(1,007,352)	(437,421)
Total equity		(985,703)	(415,772)
Non-current liabilities			
Financial liabilities	16	3,478,285	3,442,167
Borrowings	17	8,603	9,122
Lease liabilities	18	34,842	31,230
Others	19	2,501	2,840
Provisions	20	59,963	66,304
Other non-current liabilities		3,584,194	3,551,663
Total non-current liabilities			
Current liabilities			
Financial liabilities	21	689,860	116,443
Borrowings	22		2,355
Trade payables		3,764	
- total outstanding dues of micro enterprises and small enterprises		192,978	164,434
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	793	-
Lease liabilities	24	34,529	33,927
Others	25	43,265	74,179
Other current liabilities	26	1,625	1,402
Provisions		966,814	392,740
Total current liabilities		4,551,008	3,944,403
Total liabilities		3,565,305	3,528,631
TOTAL EQUITY AND LIABILITIES			

The notes from Note 1 to Note 49 form an integral part of these financial statements.

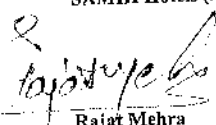
As per our report of even date attached

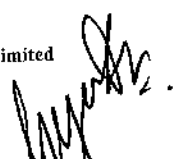
For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022


Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 20 September 2022

For and on behalf of Board of Directors of
SAMHI Hotels (Ahmedabad) Private Limited


Rajat Mehra
Director
DIN: 06813081


Gyan Das
Director
DIN: 03563467

Place: Gurugram
Date: 20 September 2022

Place: Gurugram
Date: 20 September 2022


SAMHI Hotels (Ahmedabad) 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	27	585,136	297,737
Other income	28	13,178	19,309
Total income		598,314	317,046
Expenses			
Cost of materials consumed	29	63,172	31,053
Employee benefits expense	30	105,519	95,081
Other expenses	33	290,330	227,463
		459,021	353,597
Profit/(Loss) before finance cost, depreciation, amortisation and tax		139,293	(36,551)
Finance costs	31	536,771	474,377
Depreciation and amortisation expense	32	172,801	185,462
		709,572	659,839
Loss before tax		(570,279)	(696,390)
Tax expense	7		
Current tax		-	-
Deferred tax		-	-
		-	-
Loss for the year		(570,279)	(696,390)
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
- Re-measurement gain/(loss) on defined benefit obligations		346	(376)
- Income tax relating to items mentioned above		-	-
Other comprehensive income/(loss), net of tax		346	(376)
Total comprehensive income/(loss) for the period		(569,933)	(696,766)
Earnings per equity share			
Nominal value of share INR 10 [previous year INR 10]			
Basic	34	(26.34)	(32.17)
Diluted		(26.34)	(32.17)

The notes from Note 1 to Note 49 form an integral part of these financial statements.

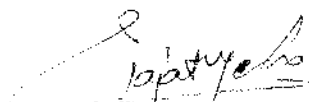
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For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022


Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 20 September 2022

For and on behalf of Board of Directors of
SAMHI Hotels (Ahmedabad) Private Limited


Rajat Mehra
Director
DIN: 06813081

Place: Gurugram
Date: 20 September 2022


Gyana Das
Director
DIN: 03563467

Place: Gurugram
Date: 20 September 2022

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Loss before tax	(570,279)	(696,390)
Adjustments:		
Depreciation and amortisation	172,801	185,462
Amortisation of income received in advance	(3,203)	-
Loss on foreign exchange difference	3,379	-
Rental income	(3,687)	-
Liabilities / provisions no longer required written back	-	(2,745)
Provision for bad and doubtful debts	181	1,267
Finance costs	536,771	474,377
Lease Income	(2,291)	(3,109)
Rent expense on lease	-	1,564
Interest income	(3,800)	(3,913)
Unwinding of discount on security deposit	(197)	(175)
Government grant written off	714	18,255
Operating profit before working capital changes	130,389	(25,407)
Decrease in inventories	1,252	2,498
(Increase) / decrease in trade receivables	(2,275)	47,578
Decrease in other financial assets	9,106	15,435
(Increase) / decrease in other assets	(21,872)	8,328
Increase in trade payables	26,576	48,878
Increase / (decrease) in other liabilities	(30,365)	19,358
Increase / (decrease) in provisions	230	(2,417)
Increase / (decrease) in other financial liabilities	(6,663)	2,071
Cash generated by operations	106,378	116,322
Income taxes (paid) / refunded - net	(11,910)	20,077
Net cash provided/ (used) by operating activities	94,468	136,399
B. Cash flow from investing activities		
Purchase of property, plant and equipment and Intangible assets	(5,523)	(2,071)
Loan given to holding company	(132,260)	-
Bank deposits matured	360,957	430,865
Bank deposits made	(361,000)	(370,853)
Interest received	1,398	4,735
Net cash (used in) / provided by investing activities	(136,428)	62,676
C. Cash flow from financing activities		
Proceeds from non-current borrowings	777,965	161,400
Proceeds from current borrowings (net)	2,558	-
Repayment of non-current borrowings	(205,342)	(13,386)
Loan from Holding Company repaid - recognised directly in other equity	-	(20,000)
Finance costs paid	(418,373)	(186,520)
Payment of Lease liability	(725)	-
Repayment of current borrowings	(66,675)	(112,836)
Net cash provided/ (used) by financing activities	89,408	(171,342)
Net increase in cash and cash equivalents (A+B+C)	47,448	27,733
Cash and cash equivalents at the beginning of the year	62,159	34,426
Cash and cash equivalents at the end of the year	109,607	62,159
Notes to cash flow statement	As at	As at
	31 March 2022	31 March 2021
i. Components of Cash and cash equivalents		
Cash on hand	320	434
Balances with banks on current account	105,273	31,743
Deposit accounts (with original maturity of 3 months or less)	4,014	29,982
	109,607	62,159

SAMHI Hotels (Ahmedabad) 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	Lease liabilities	Total
As on 1 April 2021	3,453,573	116,443	9,122	3,579,138
Cash flows (net)	572,623	(64,117)	-	508,506
Finance cost expense	522,195	10,071	999	533,265
Finance cost paid	(408,302)	(10,071)	(725)	(419,098)
Current maturities of long term borrowings	(637,534)	637,534	-	-
As on 31 March 2022	3,502,555	689,860	9,396	4,201,811
As at 1 April 2020	3,092,271	162,604	-	3,254,875
Cash flows (net)	148,014	(112,836)	8,844	44,022
Finance cost expense	448,397	18,086	968	467,451
Finance cost paid	(168,434)	(18,086)	(690)	(187,210)
Current maturities of long term borrowings	(66,675)	66,675	-	-
As on 31 March 2021	3,453,573	116,443	9,122	3,579,138

* Includes current portion of interest accrued but not due on borrowings (refer note 16 and note 24)

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

The notes from Note 1 to Note 49 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: 20 September 2022

For and on behalf of Board of Directors of
SAMHI Hotels (Ahmedabad) Private Limited


Rajat Mehra

Director
DIN: 06813081

Place: Gurugram
Date: 20 September 2022



Gyana Das
Director
DIN: 03563467

Place: Gurugram
Date: 20 September 2022

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

Particulars	Amount									
	Balance as at 1 April 2020	Changes in equity share capital during the year As at 31 March 2021	Changes in equity share capital during the year As at 31 March 2022	Equity component of convertible preference shares	Equity component of Interest free loan from holding company	Equity component of concessional overdraft facility	Reserves and surplus	Other comprehensive income	Total	
							Securities premium	Retained earnings	Remeasurement of defined benefit liability / asset	
a) Equity share capital										21,649
Particulars										21,649
As at 1 April 2020										21,649
Changes in equity share capital during the year As at 31 March 2021										21,649
Changes in equity share capital during the year As at 31 March 2022										21,649
b) Other equity (refer note 15)										
Particulars										
Balance as at 1 April 2020				63,000	412,693	4,896	1,397,552	(1,598,794)	-	279,347
Profit/(loss) for the year				-	-	-	-	(696,390)	-	(696,390)
Other comprehensive income/ (loss) (net of tax)				-	-	-	-	(376)	(376)	(376)
Total comprehensive income										
Transferred to retained earnings					(20,000)	-	-	(696,390)	376	(696,766)
Loan from Holding Company repaid - recognised directly in equity				63,000	392,693	4,896	1,397,552	(2,295,560)	-	(20,000)
Balance as at 31 March 2021								(570,279)	-	(437,419)
Profit/(loss) for the year								(570,279)	-	(570,279)
Other comprehensive income/ (loss) (net of tax)								346	346	(569,933)
Total comprehensive income										
Transferred to retained earnings									(346)	-
Loan from Holding Company repaid - recognised directly in equity										
Balance as at 31 March 2022				63,000	392,693	4,896	1,397,552	(2,865,493)	-	(1,007,352)


The notes from Note 1 to Note 49 form an integral part of these financial statements.

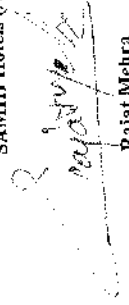
As per our report of even date attached.

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


 Vikram Advani
 Partner
 Membership No.: 091765

Place: New Delhi
 Date: 20 September 2022

For and on behalf of Board of Directors of
SAMHI Hotels (Ahmedabad) Private Limited

 Gyanu Bis
 Director
 DIN: 03563467


 Rajat Mehra
 Director
 DIN: 06813081

Place: Gurugram
 Date: 20 September 2022

Place: Gurugram
 Date: 20 September 2022

SAMHI Hotels (Ahmedabad) 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

SAMHI Hotels (Ahmedabad) Private Limited ('the Company') is a company domiciled in India. The Company was incorporated in India on 1 February 2005 as per the provisions of Indian Companies Act and is limited by shares.

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

Presently, the Company has two hotels under it (Four Points by Sheraton, Ahmedabad and Sheraton, Hyderabad) which are operational.

1.2 Basis of preparation

A. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Also refer note 41 for going concern basis of accounting used by the management.

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

B. Functional and presentation currency

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

C. Basis of Measurement

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

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value

D. Significant accounting judgments, estimates and assumptions.

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

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

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

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

i) Leases

Critical judgements in determining the lease period:

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

Critical judgements in determining the discount rate:

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

ii) Critical accounting estimates and judgements:

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

iii) Useful lives, recoverable amounts and impairment of property, plant and equipment

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

iv) Employee benefit obligations

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

v) Fair value measurement of financial instruments

The fair values of financial instruments recorded in the balance sheet in respect of which quoted prices in active markets are not available are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is

SAMHI Hotels (Ahmedabad) Private Limited

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

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

required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also, refer note 38 for further disclosures.

vi) Recognition of Deferred Tax assets/liabilities

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

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

E. Current and non-current classification

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

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

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

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

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

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

Operating cycle

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

F. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for

SAMHI Hotels (Ahmedabad) Private Limited

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

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

both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Holding Company's chief financial officer.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such 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 38.

2. Summary of significant accounting policies

1) Property, plant and equipment

Recognition and measurement

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

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

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

Subsequent costs and disposal

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

SAMHI Hotels (Ahmedabad) Private Limited

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

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

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the profit or loss for the period during which such expenses are incurred.

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

Depreciation

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

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

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

Asset Category*	Useful Life (years)	Useful life as per Schedule II
Building	15-60	60
Computers and accessories	3-6	3-6
Plant and machinery	5-25	15
Furniture and fixtures	5-8	10
Vehicles	8	8
Office equipment	5-10	5

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

Freehold land is not depreciated.

2) Intangible assets

Recognition and measurement

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

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

SAMHI Hotels (Ahmedabad) Private Limited

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

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

Amortisation

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

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

3) Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

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

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measure at FVOCI if it meets both of the following conditions and is not designated as at FVTPL.

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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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
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Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derecognition*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

v. *Compound financial instruments*

Compound financial instruments issued by the Company comprise compulsorily convertible preference shares 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.

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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. 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.

vii. 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 deposits 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.

viii. Modification of financial assets and liabilities

Financial assets:

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

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

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Financial Liabilities:

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

4) Impairment

A. Impairment of financial instruments

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost require impairment to be recognised. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses i.e. bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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assessment and including forward-looking information.

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

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

Measurement of expected credit losses

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

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

B. Impairment of Non-financial assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset (or cash generating unit).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

5) Inventories

Inventories which comprise stock of food and beverage (including liquor) and stores and spares are carried at the lower of cost and net realisable value. Cost includes all expenses incurred in bringing the inventory

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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) Government grants and subsidies

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

Export Promotion Capital Goods scheme

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

Service Exports from India scheme (SEIS)

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

7) Provisions

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

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

8) Contingent liabilities

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

9) Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition and/or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Capitalisation of borrowing costs is suspended in the period during which active development is delayed due to interruption, other than temporary interruption. Other

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borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

10) Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plan – Provident fund and Employee State Insurance

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

Defined benefit plan – Gratuity

The Company's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the

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employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

11) Revenue recognition

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

Revenue from hotel operations

Room revenue, sale of food and beverages, recreation services and property management 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.

12) Recognition of dividend income, interest income or expense

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

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

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

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13) Accounting for Foreign Currency Transactions

Transactions and balances

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

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

14) Income Taxes

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

Current tax

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

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

Deferred tax

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

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

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

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

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

15) Segment reporting

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

Identification of segments:

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

16) Leases

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

Company as a Lessee

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

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

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

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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 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.

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17) Earnings per share

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

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

18) 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) Investment property

Investment property consists of commercial property principally held to earn rental income.

Recognition and measurement

Property that is held either to earn rental income or capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Subsequent expenditure and disposal

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Any gain or loss from disposal of an investment property is recognized in the Statement of Profit and Loss.

Depreciation

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

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

Asset Category	Useful Life (years)	Useful life as per Schedule II
Building	60	60

3 Property, plant and equipment, Right of Use and Investment property

Reconciliation of carrying amount

	Freehold land	Buildings	Furnitures and fixtures	Plant and machinery	Vehicles	Office equipment	Computers	Total Property, plant and equipment	Right of Use (Building)	Investment property (Building)
Gross carrying amount										
Balance as at 1 April 2020	719,000	2,335,681	248,963	864,669	3,615	52,628	66,190	4,290,746	105,264	148,717
Additions/adjustments during the year	-	-	-	104	-	-	-	104	1,030	15,583
Balance as at 31 March 2021	719,000	2,335,681	248,963	864,773	3,615	52,628	66,190	4,290,850	116,294	164,300
Additions/adjustments during the year	-	-	-	-	-	-	-	-	-	-
Deletions/transfer during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	719,000	2,335,681	248,963	864,773	3,615	52,628	66,190	4,290,850	116,294	164,300
Accumulated depreciation and impairment losses										
Balance as at 1 April 2020	-	554,568	157,146	278,917	2,837	44,841	48,995	1,087,504	6,351	8,974
Depreciation charge for the year	-	86,252	27,287	55,030	293	4,196	3,885	176,943	2,181	3,081
Balance as at 31 March 2021	-	640,820	184,433	333,947	3,130	49,037	52,880	1,264,247	8,532	12,055
Depreciation charge for the year	-	86,252	20,996	52,681	191	841	3,319	164,280	2,181	3,081
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	727,072	205,429	386,628	3,321	49,878	56,199	1,428,527	10,713	15,136
Net carrying amount										
Balance as at 31 March 2021	719,000	1,694,861	64,530	530,826	485	3,591	13,310	3,026,603	107,762	152,245
Balance as at 31 March 2022	719,000	1,608,609	43,534	478,145	294	2,750	9,991	2,862,323	105,581	149,164

a) Refer to Note 16 and 37 for information on property, plant and equipment pledged as security by the company.

b) Accumulated depreciation includes impairment loss of INR 112,803.

c) For details regarding the title deed of immovable Property of the company (refer note 48)

4 Intangible assets

	Computer software	Total
Reconciliation of carrying amount		
Gross carrying amount		
Balance as at 1 April 2020	26,902	26,902
Additions during the year	-	-
Deletions during the year	-	-
Balance as at 31 March 2021	26,902	26,902
Additions during the year	-	-
Deletions during the year	-	-
Balance as at 31 March 2022	26,902	26,902
Accumulated amortisation		
Balance as at 1 April 2020	12,788	12,788
Amortisation expense for the year	3,259	3,259
Balance as at 31 March 2021	16,047	16,047
Amortisation expense for the year	3,259	3,259
Balance as at 31 March 2022	19,306	19,306
Net carrying amount		
Balance as at 31 March 2021	10,855	10,855
Balance as at 31 March 2022	7,596	7,596

SAMHI Hotels (Ahmedabad) Private Limited

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

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

5 Non-current financial assets - Others

(Unsecured considered good)

Bank deposits due to mature after 12 months from the reporting date* #
Lease receivable
Security deposits

	As at 31 March 2022	As at 31 March 2021
	891	848
	9,345	23,403
	20,335	19,820
	<u>30,571</u>	<u>44,071</u>

includes interest accrued on fixed deposits amounting to INR 6 (31 March 2021 - INR 5)

* Includes deposits under lien amounting to INR 891 (31 March 2021 - INR 848)

6 Income tax assets (net)

Tax deducted at source

	20,011	8,101
	<u>20,011</u>	<u>8,101</u>

7 Income tax

For the year ended 31 March 2022 For the year ended 31 March 2021

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

Recognised in profit or loss

Current tax
Deferred tax

	-	-
	-	-
	-	-

For the year ended 31 March 2022 For the year ended 31 March 2021

Recognised in Other comprehensive income

Re-measurement gains/(loss) on defined benefit obligations

Before tax
After tax

	(376)	(376)
	(376)	(376)

Recognised directly in other equity

Liability component of Interest free loan from Holding Company

Before tax
After tax

	-	(20,000)
	-	(20,000)

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	
	Percentage	Amount	Percentage	Amount
Loss before tax		(570,279)		(696,390)
Tax using the Company's domestic tax rate	25.17	(143,522)	25.17	(175,260)
Effect of:				
Non recognition of deferred taxes on temporary differences	(22.27)	126,993	(22.21)	154,650
Non-deductible differences	(0.39)	2,209	(3.79)	26,424
Others	(2.51)	14,320	0.83	(5,814)
Effective tax rate	-	-	-	-

C. Deferred tax assets / liabilities

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets		
Unabsorbed business loss and depreciation	733,949	649,974
Disallowance u/s 43B of Income-tax Act, 1961	139,593	86,553
Provision for employee benefits	2,710	4,208
Loss allowance for doubtful debts	2,294	2,248
Lease Liability	2,365	2,296
	880,911	745,279
Deferred tax liabilities		
Property, plant and equipment, Capital work-in-progress and Intangible assets	289,012	277,400
Lease receivable	5,890	8,863
	294,902	286,263
Net deferred tax asset / (liabilities)*	586,009	459,016
Deferred tax asset / (liability) recognised*	-	-

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

D. Movement in temporary differences
31 March 2022

Particulars	Balance as at 1 April 2021	Movement during 2021-22	Recognised in equity during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022
	Property, plant and equipment, Intangible assets and Investment Property	(277,400)	(11,612)	-	-
Unabsorbed business loss and depreciation	649,974	83,975	-	-	733,949
Lease receivable	(8,863)	2,973	-	-	(5,890)
Lease Liability	2,296	69	-	-	2,365
Disallowance u/s 43B of Income-tax Act, 1961	86,553	53,040	-	-	139,593
Provision for doubtful debts	2,248	46	-	-	2,294
Provision for employee benefits	4,208	(1,498)	-	-	2,710
Total	459,016	126,993	-	-	586,009

SAMHI Hotels (Ahmedabad) 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 2020-21	Recognised in equity during 2020-21	Recognised in OCI during 2020-21	Balance as at 31 March 2021
Property, plant and equipment, Intangible assets and Investment Property			-	-	(277,400)
	(265,513)	(11,887)			
Unabsorbed business loss and depreciation	507,964	142,010	-	-	649,974
Lease receivable	(11,441)	2,578	-	-	(8,863)
Lease Liability	-	2,296	-	-	2,296
Disallowance u/s 43B of Income-tax Act, 1961	66,805	19,748	-	-	86,553
Provision for doubtful debts	1,930	318	-	-	2,248
Provision for employee benefits	4,717	(509)	-	-	4,208
Total	304,462	154,554	-	-	459,016

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	59,591	2022-23
Business loss	73,877	2023-24
Business loss	118,168	2024-25
Business loss	87,249	2025-26
Business loss	38,793	2026-27
Business loss	232,962	2028-29
Business loss	283,153	2029-30
Unabsorbed depreciation	2,022,407	Never Expire

	As at 31 March 2021	
	Amount	Expiry Date (Financial Year)
Business loss	15,204	2020-21
Business loss	20,303	2021-22
Business loss	59,591	2022-23
Business loss	73,877	2023-24
Business loss	118,168	2024-25
Business loss	87,249	2025-26
Business loss	38,793	2026-27
Business loss	316,904	2028-29
Unabsorbed depreciation	1,698,335	Never Expire

SAMHI Hotels (Ahmedabad) Private Limited

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

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

8	Other non-current assets <i>(Unsecured considered good, unless stated otherwise)</i>	As at 31 March 2022	As at 31 March 2021
	Prepaid expenses	200	800
	Taxes paid under appeal (Refer note 35)	1,708	1,708
	Capital advances	922	892
		2,830	3,400
9	Inventories <i>(valued at the lower of cost and net realisable value)</i>		
	Food and beverages	4,277	5,529
		4,277	5,529
10	Current financial assets - Trade receivables	As at 31 March 2022	As at 31 March 2021
	Unsecured, considered good	53,861	51,767
	Unsecured, considered doubtful	9,115	8,934
		62,976	60,701
	Loss allowance for expected credit loss	(9,115)	(8,934)
		53,861	51,767

Trade receivable ageing schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	46,883	1,536	3,123	1,330	989	53,861
(ii) Undisputed Trade Receivables – credit impaired	-	-	181	844	8,090	9,115

As at 31 March 2021

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	36,754	6,127	5,156	3,087	643	51,767
(ii) Undisputed Trade Receivables – credit impaired	-	-	844	2,520	5,570	8,934

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

11 Current financial assets - Cash and cash equivalents	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- on current accounts	105,273	31,743
- on deposit accounts (with original maturity of 3 months or less) #	4,014	29,982
Cash on hand	320	434
	<u>109,607</u>	<u>62,159</u>

Includes interest accrued on fixed deposits amounting to INR 6 (31 March 2021 - INR 11)

11a Current financial assets - Loans	As at 31 March 2022	As at 31 March 2021
Loan to holding company #	134,662	-
	<u>134,662</u>	<u>-</u>

During the year company has given unsecured loan to its holding company for 12 months carrying interest rate of 13% per annum.

12 Current financial assets - Others	As at 31 March 2022	As at 31 March 2021
Security deposits	1,117	569
Unbilled revenue*	16,082	4,117
Government grant #	-	8,547
Lease receivable	14,058	11,813
	<u>31,257</u>	<u>25,046</u>

* Net of advance from customers of INR 20,423 (31 March 2021 - INR 6,590)

During the year, the Company has recognised income of Nil (31 March 2021 - INR 128) and recoverable balance of Nil (31 March 2021 - INR 8,547) as at the balance sheet date. During the year, the company has written off government grant to INR 714 (31 March 2021 - INR 5,698).

13 Other current assets	As at 31 March 2022	As at 31 March 2021
Staff advance	360	317
Advance to suppliers	2,131	4,967
Balance with statutory authorities	7,512	12,111
Other advances	31,798	-
Prepaid expenses	11,764	13,698
	<u>53,565</u>	<u>31,093</u>

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

15 Other equity	As at 31 March 2022	As at 31 March 2021
Equity component of interest free loans from Holding company	392,693	392,693
Equity component of Compound financial instrument	63,000	63,000
Securities premium	1,397,552	1,397,552
Retained earnings	(2,865,493)	(2,295,560)
Equity component of concessional overdraft facility	4,896	4,896
	<u>(1,007,352)</u>	<u>(437,421)</u>

a) Equity component of interest free loans from Holding company

Balance at the beginning of the year	392,693	412,693
Add : Additions made during the year	-	-
Less : Repayments during the year	-	(20,000)
Balance at the end of the year	<u>392,693</u>	<u>392,693</u>

This represents the equity component of the interest free loans received from SAMHI Hotels Limited, the Holding Company. Terms of unsecured loan from Holding Company have been modified w.e.f 30 September 2018 which are as below:

- Loan to be considered as perpetual debt
- Nil rate of interest
- Repayable at the option of the borrower

As per the amended terms, entire liability portion including interest outstanding as on 30 September 2018 has been transferred to other equity based on the principals of Ind AS. The corresponding deferred tax impact on such loans has also been adjusted through other equity.

b) Equity component of Compound financial instrument

Balance at the beginning of the year	<u>63,000</u>	<u>63,000</u>
Balance at the end of the year	<u>63,000</u>	<u>63,000</u>

This represents the equity component of compound financial instruments (0.001% Compulsorily convertible preference shares of INR 10 each)

c) Securities premium

Balance at the beginning of the year	<u>1,397,552</u>	<u>1,397,552</u>
Balance at the end of the year	<u>1,397,552</u>	<u>1,397,552</u>

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

d) Retained Earnings

Balance at the beginning of the year	(2,295,560)	(1,598,794)
Profit / (Loss) for the year	(570,279)	(696,390)
Transferred from other comprehensive income	346	(376)
Balance at the end of the year	<u>(2,865,493)</u>	<u>(2,295,560)</u>

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

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

Balance at the beginning of the year	-	-
Remeasurements of defined benefit liability / asset	346	(376)
Transferred to retained earnings	(346)	376
Balance at the end of the year	<u>-</u>	<u>-</u>

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

f) Equity component of concessional overdraft facility

Balance at the beginning of the year	<u>4,896</u>	<u>4,896</u>
Balance at the end of the year	<u>4,896</u>	<u>4,896</u>

SAMHI Hotels (Ahmedabad) Private Limited

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

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

Movement of Interest free loans from Holding Company

Total proceeds	23,750	23,750
Less: Equity component	(575,487)	(575,487)
Liability component	<u>(551,737)</u>	<u>(551,737)</u>
Add: Loss on repayment of loan to holding company before maturity	524,076	524,076
Add: Interest expense accretion	<u>27,661</u>	<u>27,661</u>
Closing balance of liability component	<u>-</u>	<u>-</u>
Equity component	575,487	575,487
Less: Repayments till date	(20,000)	(20,000)
Less: Tax impact	<u>(162,794)</u>	<u>(162,794)</u>
Equity component (net of tax)	<u>392,693</u>	<u>392,693</u>

16 Non-current financial liabilities - Borrowings	As at	As at
	31 March 2022	31 March 2021
Term loans from bank (secured) (Refer 'a' below)	618,562	530,238
Term loan from institution (secured) (Refer 'b' below) *	3,521,527	2,990,011
Less: Interest accrued but not due on borrowings (refer note 24)	(24,270)	(11,407)
Less: Current portion disclosed under Current financial liabilities - Borrowings (refer note 21)	(637,534)	(66,675)
	3,478,285	3,442,167

* including interest accrued but not due on term loan from financial institution amounting to INR 529,658 (31 March 2021 - INR 431,432)

1) Terms of loan from banks:

a) Term Loan

Sanction Amounts

The Company has obtained term loan facility of INR 430,000 (31 March 2021 - INR 430,000)

The Company has obtained working capital term loan INR 230,800 (31 March 2021 - INR 115,400)

Term of security

Term loan is secured by first exclusive charge over the hotel asset located at Ahmedabad (both immovable property and movable fixed assets) and charge on current and future receivables and cash flows of the hotel. Further, Debt Service Reserve Account (DSRA) equivalent to principal and interest falling due in next 3 months is to be maintained at all times. The holding company has also provided a cash shortfall undertaking.

Rate of Interest & term of Repayment

Interest rate applicable is MCLR plus margin of 1.65% i.e. 10.80% p.a. during the year 31 March 2022. (31 March 2021 - 10.80% p.a).

The loan is repayable in 48 amortizing quarterly instalments starting from immediate quarter of first disbursement i.e. December 2017

b) For working capital loan :

Sanction Amounts

The Company has obtained working capital loan facility of INR 230,800 (31 March 2021 - INR 115,400)

Tranche 1

During the year ended 31st March 2021, the company had obtained working capital loan amounting to INR 115,400. (under ELCGS Scheme) ["Tranche 1"]

The rate of interest on the working capital term loan will be 9.25% p.a.

The loan amount is repayable in 48 equal quarterly instalments after 1 year of moratorium from date of first disbursement i.e. 31 March 2021.

However, there is no moratorium for interest. It shall be payable at monthly intervals.

Tranche 2

During the year ended 31st March 2022, the company had obtained working capital loan amounting to INR 115,400. (under ELCGS Scheme) ["Tranche 2"]

The rate of interest on the working capital term loan will be 9.25% p.a.

The term loan amount is repayable in 48 equal quarterly instalments after 2 year of moratorium from date of first disbursement i.e. 12 March 2022. However, there is no moratorium for interest. It shall be payable at monthly intervals.

Security

Working capital loan (Tranche 1 & 2) is secured by second charge over the hotel asset located at Ahmedabad (both immovable property and movable fixed assets) and second charge on current and future receivables and cash flows of the hotel. Further, second charge on Debt Service Reserve Account (DSRA) equivalent to principal and interest falling due in next 3 months is to be maintained at all times.

SAMHI Hotels (Ahmedabad) 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) Terms of Loan from institution

a) Term Loan

Sanction Amounts

The Company has obtained term loan facility of INR 2,450,000 (31 March 2021 - INR 2,450,000) from PHL Fininvest Private Limited

Term of security

Loans from Piramal is secured by the way of

- (i) First ranking pari passu charge, over property of Sheraton, Hyderabad ("Hyderabad Project") [under entity SAMHI Hotels (Ahmedabad) Private Limited
- (ii) First ranking pari passu charge, over Hyderabad Project receivables, Current Account and Project Escrow Account
- (iii) First ranking pari passu charge by way of hypothecation of the Promoter Escrow Account
- (iv) Non-disposal undertaking from promoter for 100% shares of SAMHI Hotels (Ahmedabad) Private Limited
- (v) Demand promissory note executed by the Company securing the Loan for the benefit of the Piramal Capital and Housing Finance Limited

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 38

The Company did not have any continuing defaults as on the balance sheet date in the repayment of loans and interest. There have been no material loan covenant defaults and there has been no intimation from the banks/ financial institutions for recalling any loan facility

Rate of Interest & term of Repayment

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

b) Working capital loan :

Sanction Amounts

The Company has obtained a working capital term loan INR 489,000 (31 March 2021 - INR 46,000)

Term of security

The security for the facility shall rank second charge with the existing credit facilities provided by PHL Fininvest Private Limited with the second charge on the assets financed under original facility.

Rate of Interest & term of Repayment

The rate of interest on the working capital term loan will be 13% p.a. The term loan amount is repayable in 48 equal quarterly instalments after 1 year of moratorium from date of first disbursement i.e. 4 March 2021. However, there is no moratorium for interest. It shall be payable at monthly intervals.

SAMBH Hotels (Ahmedabad) 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
17 Non-current financial liabilities - Lease liabilities		
Lease liabilities (refer note 43)	8,603	9,122
	<u>8,603</u>	<u>9,122</u>
18 Non-current financial liabilities - Other		
Security deposits	34,842	31,230
	<u>34,842</u>	<u>31,230</u>
19 Non current Provisions		
Provision for employee benefits		
Gratuity (Refer note 30)	2,145	2,461
Compensated absences (Refer note30)	356	379
	<u>2,501</u>	<u>2,840</u>
20 Other non-current liabilities		
Income received in advance	56,906	60,109
Advance rental	3,057	6,195
	<u>59,963</u>	<u>66,304</u>
21 Current financial liabilities - Borrowings		
Loan repayable on demand		
- from bank (secured) *	52,326	49,768
Current maturities of long-term borrowings (Refer note 16)	637,534	66,675
	<u>689,860</u>	<u>116,443</u>
<p>The Company has availed bank overdraft facility from Standard Chartered Bank of INR 180,000 (31 March 2021 - INR 180,000). Interest rate applicable is MCLR plus margin of 1.65% i.e. 10.75% p.a. as at 31 March 2022 (31 March 2021 - 10.80% p.a).</p> <p>The overdraft facility is secured by first exclusive charge over the hotel asset located at Ahmedabad (both Immovable property and movable fixed assets) and charge on current and future receivables and cash flows of the hotel.</p> <p>The holding company has provided a cash shortfall undertaking.</p>		
22 Current financial liabilities - Trade payables	As at	As at
	31 March	31 March
	2022	2021
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	3,764	2,355
- total outstanding dues of creditors other than micro enterprises and small enterprises	192,978	164,434
	<u>196,742</u>	<u>166,789</u>

- a) Refer note 40 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)
b) Refer note 37 for dues to related parties
c) The Company's exposure to currency and liquidity risks related to trade payables is disclosed note 38

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

Trade payables Ageing Schedule
As at 31 March 2022

Particulars	Outstanding for following periods from due date of transaction					Total
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	3,648	87	3	26	3,764
(ii) Others	24,557	87,751	29,292	48,582	2,796	192,978

As at 31 March 2021

Particulars	Outstanding for following periods from due date of transaction					Total
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,919	407	29	-	2,355
(ii) Others	30,879	81,208	49,052	3,295	-	164,434

23 Current financial liabilities - Lease liabilities

	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 43)	793	-
	<u>793</u>	<u>-</u>

24 Current financial liabilities - Others

Interest accrued but not due on borrowings (Refer note 16)	24,270	11,407
Employee related payables	7,002	13,920
Payable for capital assets	3,107	8,600
Security Deposit received	150	-
	<u>34,529</u>	<u>33,927</u>

25 Other current liabilities

Advance from customers	7,720	4,883
Advance rental	3,613	3,613
Statutory dues payable	28,729	62,480
Income received in advance	3,203	3,203
	<u>43,265</u>	<u>74,179</u>

26 Current provisions

Provision for employee benefits		
Gratuity (refer note 30)	1,414	1,115
Compensated absences (refer note 30)	211	287
	<u>1,625</u>	<u>1,402</u>

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

27 Revenue from operations	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of services		
- Room revenue	289,333	119,579
- Food and beverage revenue	201,739	105,371
- Recreation and other services	20,188	8,032
	<u>511,260</u>	<u>232,982</u>
- Property Management and space rentals	73,876	64,755
	<u>73,876</u>	<u>64,755</u>
	<u>585,136</u>	<u>297,737</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).

	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract liabilities		
- Advance from customers	7,720	4,883
Contract assets		
- Unbilled revenue	16,082	4,117
28 Other income	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income from financial assets		
- bank deposits	1,398	3,913
- on loan to holding company	2,402	-
Amortisation of income received in advance	3,203	3,203
Government grant	-	128
Provision no longer required written back	-	2,745
Interest on income tax refund	-	1,970
Lease Income	2,291	3,109
Miscellaneous income	-	730
Rental income	3,687	3,336
Unwinding of discount on security deposit	197	175
	<u>13,178</u>	<u>19,309</u>

29 Cost of materials consumed	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of food and beverages		
Inventory at the beginning of the year	5,529	8,027
Add: Purchases	61,920	28,555
Inventory at the end of the year	(4,277)	(5,529)
	<u>63,172</u>	<u>31,053</u>

30 Employee benefits expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	87,378	84,589
Contribution to provident fund and other funds (refer 'a' below)	5,801	5,494
Compensated absences (refer 'b' below)	134	-
Gratuity expense (refer 'b' below)	775	873
Staff welfare expenses	11,431	4,125
	<u>105,519</u>	<u>95,081</u>

a. Defined Contribution plans

The Company's employees provident fund scheme and employee state insurance scheme are defined contribution plans. A sum of INR 5,801 (31 March 2021 - INR 5,494) has been recognised as an expense in relation to the schemes and shown under Employee benefits expense in profit or loss. Also refer note 35.

b. Compensated absences

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	%	%
Discounting rate	4.97	4.53
Future salary increase	5.50	5.50

SAMBI Hotels (Ahmedabad) Private Limited
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c. Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is not funded.
The following tables summarise the components of net benefit expense recognised in profit or loss and amounts recognised in the Balance Sheet for the said plan:

a) Expense recognised in Profit or Loss Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	613	732
Interest cost	162	141
Expected return on plan assets	-	-
Total expenses recognised in the Statement of profit and loss	775	873

b) Remeasurements recognized directly in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net actuarial (gain)/loss recognized in the year		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(27)	37
- changes in experience adjustments	(319)	339
Amount recognized in other comprehensive income	(346)	376

c) Change in present value of benefit obligation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of obligation as at the beginning of the year	3,576	2,799
Current service cost	613	732
Interest cost	162	141
Actuarial (gain)/loss	(346)	376
Benefits paid	(446)	(472)
Present value of obligation as at the end of the year	3,559	3,576

d) Amounts to be recognized in Balance sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of the defined benefit obligation at the end of the year	3,559	3,576
Fair value of plan assets at the end of the year	-	-
Funded status	-	-
Net liability recognized in the Balance Sheet	(3,559)	(3,576)
Non-current	2,145	2,461
Current	1,414	1,115

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

Particulars	As at 31 March 2022 %	As at 31 March 2021 %
Discounting rate	4.97	4.53
Future salary increase	5.50	5.50

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Demographic assumptions	As at 31 March 2022	As at 31 March 2021
Retirement Age (years)	58	58
Mortality Table	IALM (2012-2014)	IALM (2012-2014)
Withdrawal Rate	%	%
Ages		
Up to 30 Years	64/50	64/50
From 31 to 44 years	64/50	64/50
Above 44 years	64/50	64/50

(f) The Company best estimate of expense for the next year is INR 673 (31 March 2021: INR 801)

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		31 March 2021	
	Increase *	Decrease *	Increase *	Decrease *
Discount rate (0.3% movement)	(31)	32	(36)	37
Future salary growth (0.5% movement)	31	(31)	37	(36)

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

* Positive amount represents increase in provision

* Negative amount represents decrease in provision

g) Maturity profile of defined benefit obligation

Year	As at	As at
	31 March 2022	31 March 2021
April 2021- March 2022	-	1,115
April 2022- March 2023	1,414	1,095
April 2023- March 2024	1,029	591
April 2024- March 2025	523	303
April 2025- March 2026	260	151
April 2026- March 2027	131	75
April 2027- March 2028	64	-
April 2027 onwards	-	246
April 2028 onwards	138	-
	<u>3,559</u>	<u>3,576</u>

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31 Finance costs	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial Liabilities carried at amortised cost		
- On security deposit received	3,506	3,016
- Term loan *	518,905	464,374
Bank charges	7	-
Interest expense on delay in deposit of statutory dues	8,775	3,910
Interest on lease liabilities	999	968
Other finance cost	4,579	2,109
	<u>536,771</u>	<u>474,377</u>
*Net of interest income on loan funds amounting to INR Nil (31 March 2021 - INR 38) made out of loan funds.		
32 Depreciation and amortisation expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	164,280	176,941
Depreciation of investment property	3,081	3,081
Depreciation of Right-to-use assets	2,181	2,181
Amortisation of intangible assets	3,259	3,259
	<u>172,801</u>	<u>185,462</u>
33 Other expenses	For the year ended 31 March 2022	For the year ended 31 March 2021
Repair and maintenance		
- Building	6,805	3,680
- Machinery	17,191	22,305
- Others	10,684	3,943
Advertisement and business promotion	20,692	19,115
Commission	16,374	7,197
Communication	1,999	1,109
Consumption of stores and supplies	25,193	8,414
Contractual labour	21,706	10,235
General administration expenses	5,039	5,174
Hotel running expenses	4,315	1,031
Insurance	5,800	5,441
Legal and professional charges	39,798	46,669
Loss on foreign exchange fluctuation (net)	3,379	-
Management and incentive fees	12,731	5,783
Miscellaneous expenses	2,844	1,342
Payment to auditors (refer below)	1,231	1,010
Power, fuel and water	53,525	42,004
Provision for bad and doubtful debts	181	1,267
Rates and taxes	17,449	21,893
Rent expenses	14,060	12,097
Training expenses	2,073	969
Government grant written off	714	5,698
Travelling expenses	6,547	1,087
	<u>290,330</u>	<u>227,463</u>
*Payment to auditors		
As auditors		
Statutory audit	1,100	900
Reimbursement of expenses	110	90
Other services	21	20
	<u>1,231</u>	<u>1,010</u>

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34 Earnings per share (EPS)	For the year ended 31 March 2022	For the year ended 31 March 2021
Net loss attributable to equity shareholders	(570,279)	(696,390)
Weighted average number of equity shares for calculation of basic EPS	2,164,946	2,164,946
Weighted average number of equity shares for calculation of diluted EPS	2,164,946	2,164,946
Nominal value of equity share (INR)	10	10
Basic earning per share (INR)	(26.34)	(32.17)
Diluted earning per share (INR)	(26.34)	(32.17)

* 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.

35 Contingent liabilities and commitments

Contingent liabilities

The Company had received an assessment order under Gujarat VAT Act, 2003 for financial year 2014-15 whereby an demand of INR 1,708 has been raised. The Company had deposited the aforesaid amount and had filed an appeal against the aforesaid order. Subsequent to the year-end, the Deputy State Tax Commissioner passed order on 17 June 2022 in favor of the Company.

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

During the current year, the Company has received notices under section 148 of the Income-tax Act, 1961 for assessment year 2014-15 and 2015-16 for initiating re-assessment proceedings against the Company. The management has filed its response against the notices, citing factual inaccuracies in the notices. Management believes that based on the facts of the case and considering that the Company had significant unabsorbed depreciation in the respective years, no liability is likely to devolve on the Company.

36 Operating Segments

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

a) Information about products and services

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

b) Information about geographical areas

The Company provides services to customers in India. Further, there are no non-current assets located outside India.

c) Information about major customers (from external customers)

The Company does not derive revenue from one customer which would amount to 10 per cent or more of the Company's revenue.

37 Related party disclosures

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

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

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

Description of relationship	Name of the Party
Fellow subsidiary	CASPIA Hotels Private Limited Argon Hotels Private Limited SAMHI JV Business Hotels Private Limited Barque Hotels Private Limited

c) Related party transactions during the year:

Particulars	Holding Company		Fellow Subsidiary	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Unsecured loan repaid				
SAMHI Hotels Limited	-	20,000	-	-
Unsecured loan given				
SAMHI Hotels Limited	132,500	-	-	-
Interest income on unsecured loan				
SAMHI Hotels Limited	2,402	-	-	-
Reimbursement of expenses				
SAMHI Hotels Limited	1,020	300	-	-
CASPIA Hotels Private Limited	-	-	1,912	2,442
Argon Hotels Private Limited	-	-	395	689
SAMHI JV Business Hotels Private Limited	-	-	4,593	324
Cost allocation from Holding Company				
SAMHI Hotels Limited	21,472	28,618	-	-

In addition to transactions mentioned above:

- there is a pledge over shares of fellow subsidiary i.e., SAMHI JV Business Hotels Private Limited which are held and owned by the Holding Company in respect of borrowings from bank/financial institution.
- the Holding Company has given a guarantee for refund of professional fee to Starwood Hotel and Resorts India Private Limited ("the operator") in case of cancellation of the Operating Services agreement with the operator.
- the Holding Company has provided an undertaking on behalf of the Company in respect of loans obtained from Bank/financial institution.
- refer note 16 in respect of security provided by fellow subsidiaries for loans from PHL Fininvest Private Limited.
- the Company has provided security of Freehold land (Hyderabad property) on behalf of the Holding Company in respect of borrowings from Piramal Capital and Housing Finance Limited amounting to Rs. 850,000 and 750,000.

SAMHI Hotels (Ahmedabad) Private Limited
Notes to the financial statements for the year ended 31 March 2022
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d) Related party balances outstanding at year end:

Particulars	Holding Company		Fellow Subsidiary	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Equity component of interest free loans (net of tax)				
SAMHI Hotels Limited	392,693	392,693	-	-
Equity component of concessional overdraft facility				
SAMHI Hotels Limited	4,896	4,896	-	-
Trade payables				
SAMHI Hotels Limited	-	18,931	-	-
CASPIA Hotels Private Limited	-	-	-	737
Argon Hotels Private Limited	-	-	-	194
SAMHI JV Business Hotels Private Limited	-	-	468	390
Trade receivables				
SAMHI Hotels Limited	1,533	513	-	-
CASPIA Hotels Private Limited	-	-	1,119	4,336
Argon Hotels Private Limited	-	-	1,547	1,990
SAMHI JV Business Hotels Private Limited	-	-	-	308
Barque Hotels Private Limited	-	-	-	32
Other current assets				
SAMHI Hotels Limited	31,768	-	-	-
Unsecured loan given				
SAMHI Hotels Limited	134,662	-	-	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

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

38 Financial instruments – Fair values and risk management

A) Financial instruments by category and fair value

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

Particulars	31 March 2022			
	Level of Hierarchy	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Non-current				
Others		-	-	30,571
Current				
Trade receivables		-	-	53,861
Cash and cash equivalents		-	-	109,607
Loans		-	-	134,662
Others		-	-	31,257
Total financial assets		-	-	359,958
Non-current				
Borrowings	2	-	-	3,478,285
Lease liabilities		-	-	8,603
Others		-	-	34,842
Current				
Borrowings	2	-	-	689,860
Trade payables		-	-	196,742
Lease liabilities		-	-	793
Others		-	-	34,529
Total financial liabilities		-	-	4,443,654

Particulars	31 March 2021			
	Level of Hierarchy	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets				
Non-current				
Others		-	-	44,071
Current				
Trade receivables		-	-	51,767
Cash and cash equivalents		-	-	62,159
Others		-	-	25,046
Total financial assets		-	-	183,043
Non-current				
Borrowings	2	-	-	3,442,167
Lease liabilities		-	-	9,122
Others		-	-	31,230
Current				
Borrowings	2	-	-	116,443
Trade payables		-	-	166,789
Others		-	-	33,927
Total financial liabilities		-	-	3,799,678

A) Financial instruments by category and fair value (continued)

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

As at
31 March 2022

As at
31 March 2021

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

Financial Assets

Non-current financial assets - Security deposits (Level 2)

20,315

19,827

Financial Liabilities

Other non-current financial liabilities - Security deposit received (Level 2)

38,926

30,310

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

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

Fair value of bank deposits included in non-current other financial assets and loan to subsidiary included in non-current loans are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

The company has not disclosed the fair values of non-current loans because their carrying amounts are a reasonable approximation of fair values.

B) Measurement of fair values

The different levels of fair value have been defined below:

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

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

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

There have been no 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 as at the end of the reporting year.

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- the fair values for security deposits were calculated based on cash flows discounted using current lending rate.
- the use of quoted market prices (NAV) on valuation of current investments

Details of significant unobservable inputs for measurement of fair values

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

i. Credit risk

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

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

The Company has given security deposits to Government departments. Further, the Company has recognised government grant recoverable in respect of export incentives. The Company does not expect any default from these parties and accordingly the risk of default is negligible or nil.

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

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

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

Reconciliation of loss allowance provision

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	8,934	7,667
Changes in loss allowance	181	1,267
Closing balance	9,115	8,934

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

ii. Liquidity risk

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

(a) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

31 March 2022	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current borrowings	3,478,285	3,498,150	-	719,511	694,534	2,079,105
Non-current Lease Liabilities	8,603	31,619	-	794	2,658	28,167
Other non-current financial liabilities	34,842	34,842	-	30,034	4,808	-
Current borrowings	689,860	689,860	689,860	-	-	-
Current Lease Liabilities	793	793	793	-	-	-
Trade payables	196,742	196,742	196,742	-	-	-
Other current financial liabilities	34,329	34,329	34,329	-	-	-
	4,443,654	4,486,535	921,924	750,339	707,000	2,107,272

31 March 2021	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current borrowings*	3,442,167	3,464,830	-	117,490	1,043,932	2,303,408
Non-current Lease Liabilities	9,123	33,137	725	794	2,339	29,079
Other non-current financial liabilities	31,230	31,230	-	624	30,606	-
Current borrowings	116,443	116,443	116,443	-	-	-
Trade payables	166,789	166,789	166,789	-	-	-
Other current financial liabilities	33,927	33,927	33,927	-	-	-
	3,799,679	3,846,356	317,884	118,908	1,077,077	2,332,487

* The details disclosed are after considering the impact moratorium with reference to RBI circular DOR.No.BP.BC.4/21.04.048 2019-20 dated 27 March 2020 and DOR No.BP.BC.71/21.04.048/2019-20 dated 23 May 2020 for the period 1 March 2020 to 31 August 2020.

(b) Financing arrangements

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

	31 March	31 March
Financing rate		
Revolving credit facility from institution	-	448,000
Bank overdraft and other facilities	105,154	115,832
	105,154	563,832

iii. Market risk

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

Currency risk

The Company's exposure to foreign currency risk is on account of payables on account of imports of capital goods, foreign currency borrowings and other expenditure in currencies other than the functional currency of the Company.

Exposure to currency risk

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

31 March 2022	Currency	Amount in foreign currency (in thousand)	
		INR in thousand	
Financial liabilities			
Trade payables	USD	1,445	109,545

31 March 2021	Currency	Amount in foreign currency (in thousand)	
		INR in thousand	
Financial liabilities			
Trade payables	USD	925	68,025

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	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
1% movement				
USD	1,095	(1,095)	820	(820)
	1,095	(1,095)	820	(820)

Effect in INR	(Profit) / loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
1% movement				
USD	680	(680)	509	(509)
	680	(680)	509	(509)

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.

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	4,905	30,829
	<u>4,905</u>	<u>30,829</u>
Effect of interest rate swaps	-	-
	<u>4,905</u>	<u>30,829</u>
Variable-rate Instruments		
Financial liabilities - Term loans from banks	618,562	530,238
Financial liabilities - Term loan / Revolving credit facility from institutions	3,521,527	2,990,611
Financial liabilities - Cash credit and overdraft facilities from bank	52,326	49,768
	<u>4,192,415</u>	<u>3,570,617</u>
Total	<u>4,197,320</u>	<u>3,600,846</u>

Fair value sensitivity analysis for fixed-rate instruments

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

Fair value sensitivity on bank deposits has not been disclosed as interest rate on such deposits is equivalent to market rate.

Sensitivity analysis for variable-rate instruments

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

	(Profit) / loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2022				
Financial liabilities	37,552	(37,552)	37,552	(37,552)
	<u>37,552</u>	<u>(37,552)</u>	<u>37,552</u>	<u>(37,552)</u>
31 March 2021				
Financial liabilities	34,356	(34,356)	34,356	(34,356)
	<u>34,356</u>	<u>(34,356)</u>	<u>34,356</u>	<u>(34,356)</u>

39 Capital Management

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

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

As a part of its capital management policy, the Company ensures compliance with all covenants and other capital requirements related to regulatory or contractual obligations of material consequence to the Company. Also refer note 41

SAMHI Hotels (Ahmedabad) Private Limited

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

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

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

	As at 31 March 2022	As at 31 March 2021
Dues to micro and small suppliers		
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	3,652	2,355
Interest	58	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each:		
The amount of interest paid under the act beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	54	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	112	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Act	-	-

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

41 Impact of COVID-19 pandemic (including going concern)

The Company is facing liquidity challenges which have been accentuated by uncertainty due to COVID-19. The Company has negative net worth of Rs. 985,703 as at 31 March 2022, incurred a net loss of INR 570,279 during the year ended 31 March 2022 and, as of that date, the Company's current liabilities exceeded its current assets by INR 579,585. As on 31 March 2022, the Company has been largely funded by loans from banks & financial institutions and there are repayments of INR 637,534 due within 12 months of the balance sheet date. The Company has cash and bank balance of INR 109,607 with it as on 31 March 2022 which will assist for meeting its short term liabilities for next 12 months. The business of the Company was impacted during the year on account of COVID-19 and consequent lockdowns in several states across the country.

With increased vaccinations and consequent reduction in number of cases and easing of all restrictions, the Company has witnessed a recovery. Starting from Q3 FY 2022, the Company has demonstrated improved business performance in terms of Average Room Revenue (ARR) and Occupancy levels. ARR and Occupancy levels in Q1 FY 2023 have reached INR 6,803 and 75% in Sheraton Hyderabad and INR 3,809 and 86% in Four Points by Sheraton, Ahmedabad respectively. The Company has continued financial and operational support provided to the Company by SAMHI Hotels Limited (the holding company), has projected to generate profits from its operations and is expecting necessary approvals basis application to lenders under Emergency Credit Line Guarantee Scheme ("ECLGS").

The Company has assessed the possible impact of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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.

42 During the year, SAMHI Hotels Limited (the Holding Company) has allocated expenses amounting INR 21,472 (31 March 2021 - INR 28,618) as Company's share of project expenses and other cost incurred.

43 Lease disclosures

As lessor

The Company had adopted Ind AS 116, effective annual reporting period 1 April 2019 and applied the standard to its leases using modified retrospective approach, with the cumulative effect of applying the standard, recognised on the date of the initial application (1 April 2019). Accordingly, the Company has not restated the comparative information. The Company has reclassified its leasehold buildings amounting to INR 105,264 as right-of-use assets.

The impact on the Statement of Profit and Loss for the year ended 31 March 2022 is as below:

Particulars	For the year ended 31 March 2022	For the 31 March
Rent lowered by	725	690.00
Depreciation is higher by	2,181	2,181.00
Finance cost is higher by	999	968.00
Loss before tax is lower by	(2,455)	(2,459)
The total cash outflow for leases during the year	725	690

SAMHI Hotels (Ahmedabad) Private Limited

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

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

The Company has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2020, which is 10.8% for

Details of rent expenses

Particulars	As at 31 March 2022	As at 31 March
Expenses relating to low value and short term leases	-	-
Expenses relating to variable lease payments	14,060	12,897

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2022:

Particulars	As at 31 March 2022	As at 31 March
0-1 year	793	725
1-2 years	794	794
2-5 years	2,658	2,539
More than 5 years	28,167	29,079
Total Lease payments	32,412	33,137

The reconciliation of lease liabilities is as follows:

Particulars	As at 31 March 2022	As at 31 March
Balance as at 1 April 2021	9,122	-
Additions/ Adjustments	-	8,841
Amounts recognized in statement of profit and loss as interest expense	999	968
Payment of lease liabilities	(725)	(690)
Balance as at 31 March 2022 (Refer Note 18 and 23)	9,396	9,122

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

As lessor

The Company has undertaken fit-outs work at its property located in Hyderabad and provided the same on finance lease to selected companies for a period of 5 years. These leases have been accounted for as finance leases. Future minimum lease payments (MLP) under finance leases with the present value of the net MLP are as follows:

	As at 31 March 2022	As at 31 March 2021	
	Present value of MLP	Minimum lease payments	Present value of MLP
Not later than one year	14,741	14,104	11,813
Later than one year and not later than five years	8,660	24,954	23,403
Later than five years	-	-	-
Total minimum lease payments	23,401	39,058	35,216
Less: Amounts representing unearned finance income	-	(3,842)	-
Present value of minimum lease payments	23,401	35,216	35,216

44 Investment property disclosures

(i) Refer note 43 for future minimum lease payments under non-cancellable operating leases in respect of investment property given on lease.

(ii) The fair value of investment property as at 31 March 2022 amounts to INR 81,9761 (31 March 2021- INR 728,674) based on discounted cash flow method is classified as a level 3 fair value in the fair value hierarchy due to the inclusion of one or more unobservable inputs. There has been no change in the valuation technique as compared to previous years.

(iii) Information regarding income and expenditure of investment property

	31 March 2021
Rental and maintenance income derived from investment property	64,755
Less: Direct operating expenses generating rental income	(11,610)
Profit arising from investment property before depreciation and indirect expenses	53,145

(iv) The Company has no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

SAMHI Hotels (Ahmedabad) Private Limited

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

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

45 New standards and interpretations, not yet adopted

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

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

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

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

46 Ratio Analysis and its elements

Ratio	In times/%	Numerator	Denominator	31 March 2022	31 March 2021
(a) Current Ratio	in times	Current Assets	Current Liabilities	0.40	0.45
(b) Debt-Equity Ratio	in times	Total Borrowings	Total equity	(4.23)	(8.56)
(c) Debt Service Coverage Ratio	in times	Profit (Loss) before finance cost, depreciation, amortisation and tax	Interest Payments + Principal Repayments	0.22	(0.17)
(d) Return on Equity Ratio	in %	Loss for the year	Average Total equity	0.81	(2.13)
(e) Inventory turnover ratio	in times	Cost of goods sold	Average Inventory	NA	NA
(f) Trade Receivables turnover ratio	in times	Revenue from operations	Average Trade Receivables	11.08	3.91
(g) Trade payables turnover ratio	in times	Cost of materials consumed + Other expenses	Average Trade Payables	1.94	1.80
(h) Net capital turnover ratio	in times	Revenue from operations	Average Current assets - Average Current liabilities	(1.47)	(1.66)
(i) Net profit ratio	in %	Loss for the year	Revenue from operations	-97.46%	-233.89%
(j) Return on Capital employed	in %	Loss before finance costs and taxes	Tangible Net Worth + Total Borrowings	-1.05%	-7.06%
(k) Return on investment	in %	Interest (Finance Income)	Investment	NA	NA

Explanations to variance in Ratios:

Debt-Equity Ratio	Increase due to reduction in other equity as result of losses
Debt Service Coverage Ratio	Ratio has improved due to increase in profit before finance cost, depreciation, amortisation and tax
Return on Equity Ratio	Return on equity ratio has decreased due to losses leading to decrease in shareholder's equity
Trade Receivables turnover ratio	Increase is due to increase in revenue from operations
Net profit ratio	Improved due to improvement in business activity during the year
Return on Capital employed	Return on capital employed improved with improvement in operating margins during the year.

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

- (a) Inventory turnover ratio: since the Company holds inventory of beverages including liquor whose value is insignificant compared to the total assets
- (b) Return on investments: since the Company invests surplus temporary funds in short term bank deposits and the income generated is insignificant to total turnover

SAMHI Hotels (Ahmedabad) Private Limited

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

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

47 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off under section 248 of Companies Act 2013
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (vii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment
- (viii) The Company has used the borrowings from banks for the specific purpose for which it was taken.
- (ix) The Company has not been declared a willful defaulter by any bank or other lender (as defined under the Companies Act, 2013), in accordance with the guidelines on willful defaulters.

48 List of Immovable properties not held in the name of the Company

As at 31 March 2022

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (Rs. In Thousands)	Whether title deed holder is a promoter/director/director or relative if promoter/director or employee of promoter/director	Held in the name of	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment - Freehold Land	Sub Plot No.4 of Final Plot No. 578 of Town Planning Scheme No. 3/5 (varied) of Ahmedabad, Situated at Mouje Chhadavad, Taluka City, District Ahmedabad.	275,000	No	Sarkar Realities Pvt. Ltd.	27 March 2006	The sale deed of land is in the name of Sarkar Realities Pvt. Ltd., erstwhile name of the Company which was changed to Royal Orchid Ahmedabad Private Limited and after that SAMHI Hotels (Ahmedabad) Private Limited. Fresh certificate of incorporation consequent to change of name dated 14 May 2010 and 16 August 2012 respectively was issued by the Registrar of Companies, National Capital Territory of Gujarat.

As at 31 March 2021

Relevant line item in the Balance Sheet	Description of property	Gross carrying value	Whether title deed holder is a promoter/director/director or relative if promoter/director or employee of promoter/director	Held in the name of	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment - Freehold Land	Sub Plot No.4 of Final Plot No. 578 of Town Planning Scheme No. 3/5 (varied) of Ahmedabad, Situated at Mouje Chhadavad, Taluka City, District Ahmedabad.	275,000	No	Sarkar Realities Pvt. Ltd.	27 March 2006	The sale deed of land is in the name of Sarkar Realities Pvt. Ltd., erstwhile name of the Company which was changed to Royal Orchid Ahmedabad Private Limited and after that SAMHI Hotels (Ahmedabad) Private Limited. Fresh certificate of incorporation consequent to change of name dated 14 May 2010 and 16 August 2012 respectively was issued by the Registrar of Companies, National Capital Territory of Gujarat.

The original title deeds of all immovable properties are under lien with bank for the loan facilities availed by the Company. Therefore, we could not verify these title deeds and have not received independent confirmation from bank.

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

49 Change in classification

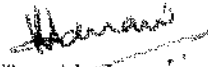
(i) Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Company has modified the classification of security deposits from "Loans" to "Others" in financial assets and current maturity of borrowings from "Others" to "Borrowings" in current financial liabilities. Comparative amounts in the notes to the financial statements were reclassified for consistency.

	As per earlier reported	Revised classification	Difference
Non current assets			
Financial assets			
Loans	19,820	-	19,820
Others	24,251	44,071	(19,820)
Current assets			
Financial assets			
Loans	569	-	569
Others	24,477	25,046	(569)
Financial liabilities			
Borrowings	49,768	116,443	(66,675)
Others	100,602	33,927	66,675

(ii) The previous year's figures have been re-grouped/reclassified, where necessary to conform to current year's classification.

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: 20 September 2022

For and on behalf of Board of Directors of
 SAMHI Hotels (Ahmedabad) Private Limited


 Rajat Mehra
 Director
 DIN: 06813081

Place: Gurugram
 Date: 20 September 2022


 Gyan Das
 Director
 DIN: 03563467

Place: Gurugram
 Date: 20 September 2022