

Paulmech Hospitality Private Limited

**Statutory Audit for the year ended
31 March 2022**

B S R & Co. LLP

Chartered Accountants

Building No 10, 12th Floor, Tower-C,
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Independent Auditor's Report

To the Members of Paulmech Hospitality Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Paulmech Hospitality 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 26 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.

Independent Auditor's Report (Continued)

Paulmech Hospitality 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)

Paumech Hospitality 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 20 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 its knowledge and belief, as disclosed in the Note 29(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)

Paulmech Hospitality 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 its knowledge and belief, as disclosed in the Note 29(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.: 101248WW-100022



Vikram Advani

Partner

Place: New Delhi

Date: 19 August 2022

Membership No.: 091765

ICAI UDIN: 22091765APIZVZ2934

Annexure A to the Independent Auditor's Report on the Financial Statements of Paulmech Hospitality 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 does not have intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, property, plant and equipment was verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property disclosed in the financial statements are held in the name of the Company.
- (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 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 29(i) to the financial statements.
- (ii) (a) According to the information and explanations given to us, the Company does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has provided guarantee and security to Companies during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of 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 guarantee and provided security to another entity as below:

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

Particulars	Guarantees	Securit (Rs. in Cr)	Loans	Advances in nature of loans
Aggregate amount during the year				
-Holding Company* (Barque Hotels Private Limited)	-	285.00	-	-
- Others* (Samhi JV Business Hotels Private Limited)	-	410.00	-	-
Balance outstanding as at balance sheet date	-	-	-	-

*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 that the guarantees provided, security given during the year and the terms and conditions of guarantees provided and security provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(c), clause 3(iii)(d), clause 3(iii)(e) and clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not made any investments, or given any loans as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of security provided by the Company, the provisions of section 185 of the Companies Act, 2013 have been complied with. The Company has complied with section 186(1) of the Companies Act, 2013. According to the information and explanations given to us, the provisions of Section 186 (except for sub-section (1) of the Section 186) of the Companies Act, 2013 are not applicable to the Company since the Company is engaged in the business of providing infrastructural facilities.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the 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'),

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

Income-Tax and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Income Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Income-Tax, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (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 Income-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
Income Tax Act, 1961	Addition to the taxable income	13,723	2013-14	Commissioner of Income Tax (Appeals)	NA

*Amount paid under protest Rs. 2,060

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) Interest bearing loans amounting to Rs. 220,657 thousands are outstanding as at the balance sheet date and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the relevant financial year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) 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, associate or joint venture (as defined under Companies Act, 2013) 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

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

- 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) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs. 26,615 thousands in the current financial year and Rs. 21,305 thousands in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) We draw attention to Note 26 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, the Company's current liabilities exceed its current assets as at 31 March 2022 by Rs. 5,253 thousands.

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

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: 19 August 2022

Membership No.: 091765

ICAI UDIN:22091765APIZVZ2934

Annexure B to the Independent Auditor's Report on the financial statements of Paulmech Hospitality 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 Paulmech Hospitality Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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



Vikram Advani

Partner

Place: New Delhi

Date: 19 August 2022

Membership No.: 091765

ICAI UDIN:22091765APIZVZ2934

Paulmech Hospitality 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	79,200	79,200
Capital work-in-progress	3	122,842	122,742
Financial assets			
Others	4	196	196
Other non-current assets	5	12,390	11,405
Total non-current assets		214,628	213,543
Current assets			
Financial assets			
Cash and cash equivalents	6	135	165
Other current assets	7	34	29
Total current assets		169	194
TOTAL ASSETS		214,797	213,737
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	19,978	19,978
Other equity	9	(31,260)	(4,645)
Total equity		(11,282)	15,333
Non-current liabilities			
Financial liabilities			
Borrowings	10	220,657	192,276
Total non-current liabilities		220,657	192,276
Current liabilities			
Financial liabilities			
Trade payables	11	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		307	724
Others	12	1,362	1,940
Other current liabilities	13	20	17
Provisions	14	3,733	3,447
Total current liabilities		5,422	6,128
Total liabilities		226,079	198,404
TOTAL EQUITY AND LIABILITIES		214,797	213,737

The notes from Note 1 to Note 30 form an integral part of these financial statements.

As per our report of even date attached

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



Vikram Advani
Partner
Membership No.: 091765

For and on behalf of Board of Directors of
Paulmech Hospitality Private Limited



Gyana Das
Director
DIN : 03563467



Manish Bhagat
Director
DIN : 08092409

Place: New Delhi
Date: 19 August 2022

Place: Gurugram
Date: 19 August 2022

Place: Gurugram
Date: 19 August 2022


Paulmech Hospitality 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			
Other income	16	328	-
Total income		328	-
Expenses			
Other expenses	18	2,587	3,316
Total expense		2,587	3,316
Loss before finance cost, depreciation, amortisation and tax		(2,259)	(3,316)
Finance costs	17	24,072	20,148
		24,072	20,148
Loss before tax		(26,331)	(23,464)
Tax expense			
Tax for prior years	15	284	284
Deferred tax		-	(2,443)
		284	(2,159)
Loss for the year		(26,615)	(21,305)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(26,615)	(21,305)
Earnings per equity share			
Nominal value of share INR 10 [previous year INR 10]	19		
Basic		(13.32)	(10.66)
Diluted		(13.32)	(10.66)

The notes from Note 1 to Note 30 form an integral part of these financial statements.

As per our report of even date attached

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


Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 19 August 2022

For and on behalf of Board of Directors of
Paulmech Hospitality Private Limited


Gyan Das
Director
DIN : 03563467

Place: Gurugram
Date: 19 August 2022


Manish Bhagat
Director
DIN : 08092409

Place: Gurugram
Date: 19 August 2022

Paulmech Hospitality 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	(26,331)	(23,464)
Adjustments:		
Finance costs	23,281	20,148
Provision no longer required written back	(328)	-
Operating profit before working capital changes	(3,378)	(3,316)
Increase in other assets	(988)	(348)
Decrease in trade payables	(417)	(372)
Increase/(decrease) in other liabilities	3	(1,904)
Net cash used in operating activities (A)	(4,780)	(5,940)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and Capital work-in-progress	(350)	(2,883)
Net cash used in investing activities (B)	(350)	(2,883)
C. Cash flow from financing activities		
Non-current borrowings availed during the year	5,100	8,600
Net cash generated from financing activities (C)	5,100	8,600
Net decrease in cash and cash equivalents (A+B+C)	(30)	(223)
Cash and cash equivalents at the beginning of the year	165	388
Cash and cash equivalents at the end of the year	135	165

Notes to cash flow statement

i. Components of Cash and cash equivalents

Balances with banks on current account

	As at 31 March 2022	As at 31 March 2021
	135	165
	135	165

ii. Movement in financial liabilities

As on 1 April 2021
Cash flows (net)
Finance cost expense
As on 31 March 2022

	Non-current borrowings	Total
	192,276	192,276
	5,100	5,100
	23,281	23,281
	220,657	220,657

As on 1 April 2020
Cash flows (net)
Finance cost expense
As on 31 March 2021

	163,528	163,528
	8,600	8,600
	20,148	20,148
	192,276	192,276

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 30 form an integral part of these financial statements.

As per our report of even date attached

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

Vikram Advani
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For and on behalf of Board of Directors of
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Gyana Das
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DIN : 08092409

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Date: 19 August 2022

Place: Gurugram
Date: 19 August 2022

Place: Gurugram
Date: 19 August 2022

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

a. Equity share capital

Particulars	Number of shares	Amount
As at 1 April 2020	1,997,752	19,978
Changes in equity share capital during the year	-	-
As at 31 March 2021	1,997,752	19,978
Changes in equity share capital during the year	-	-
As at 31 March 2022	1,997,752	19,978


b. Other equity (refer note 9)

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at 1 April 2020	12,920	3,740	16,660
Loss for the year	-	(21,305)	(21,305)
Balance as at 31 March 2021	12,920	(17,565)	(4,645)
Loss for the year	-	(26,615)	(26,615)
Balance as at 31 March 2022	12,920	(44,180)	(31,260)

The notes from Note 1 to Note 30 form an integral part of these financial statements.


As per our report of even date attached.

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



Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 19 August 2022

For and on behalf of Board of Directors of
Paulmech Hospitality Private Limited


Gyano Das
Director
DIN : 03563467

Place: Gurugram
Date: 19 August 2022


Manish Bhagat
Director
DIN : 08092409

Place: Gurugram
Date: 19 August 2022

Paulmech Hospitality 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

Paulmech Hospitality Private Limited ('the Company') is a Company domiciled in India. The Company was incorporated in India on 27 July 2010 as per the provisions of Indian Companies Act and is limited by shares.

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

Presently, the Company has one hotel under development (Holiday Inn Express, Kolkata – New town).

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 26 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 19 August 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

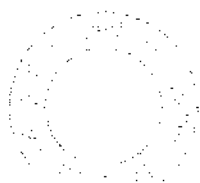
The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	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.



Paulmech Hospitality 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) 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, known technological advances. The company reviews the useful lives and recoverable amounts of property, plant and equipment at the end of each reporting date.

ii) Fair value measurement of financial instruments

The fair values of financial instruments recorded in the balance sheet in respect of which quoted prices in active markets are not available are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also, refer note 23 for further disclosures.

iii) Recognition of Deferred Tax assets/liability

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

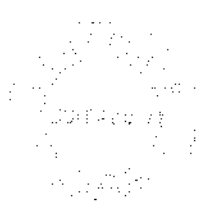
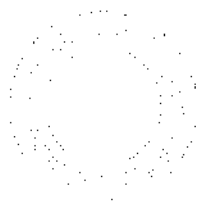
The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

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.



Paulmech Hospitality Private Limited

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

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

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

Operating cycle

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

F. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the ultimate 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 23.

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



Paulmech Hospitality Private Limited

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

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

for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

Subsequent costs and disposal

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

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

Depreciation

Freehold land is not depreciated.

2) 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

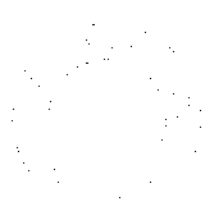
On initial recognition, a financial asset is classified as measured at

- 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;



Paulmech Hospitality Private Limited

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

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

and

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

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

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

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

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

Financial assets: Business model assessment

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

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

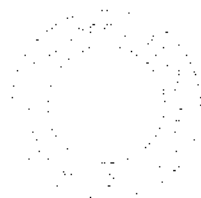
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and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

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

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

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



Paulmech Hospitality Private Limited

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

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

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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



Paulmech Hospitality Private Limited

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

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

v. Modification of financial assets and liabilities

Financial assets:

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

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

Financial Liabilities:

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

3) Impairment

A. Impairment of financial instruments

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

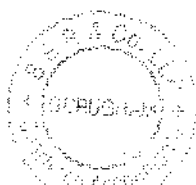
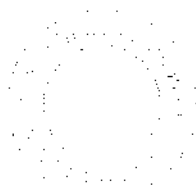
At each reporting date, the Company assesses whether financial assets carried at amortised cost require impairment to be recognised. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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.



Paulmech Hospitality Private Limited

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

Paulmech Hospitality Private Limited

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

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

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.

4) 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.

5) 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.

6) Borrowing Cost

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

7) 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



Paulmech Hospitality Private Limited

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

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

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.

8) 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.

9) 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

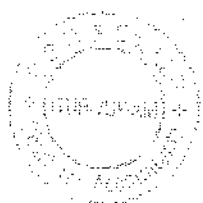
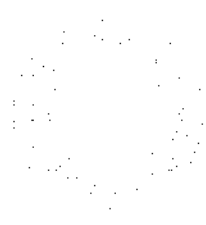
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering 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



Paulmech Hospitality Private Limited

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

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

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

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

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

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

10) 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.

11) 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.

12) Cash and cash equivalents

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



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

Reconciliation of carrying amount	Property, plant and equipment		Capital work-in-progress
	Freehold land	Total	
Gross carrying amount			
Balance as at 1 April 2020	79,200	79,200	122,592
Additions during the year	-	-	150
Balance as at 31 March 2021	79,200	79,200	122,742
Additions during the year	-	-	100
Balance as at 31 March 2022	79,200	79,200	122,842
Accumulated depreciation			
Balance as at 1 April 2020	-	-	-
Depreciation charge for the year	-	-	-
Balance as at 31 March 2021	-	-	-
Depreciation charge for the year	-	-	-
Balance as at 31 March 2022	-	-	-
Net carrying amount			
Balance as at 31 March 2021	79,200	79,200	122,742
Balance as at 31 March 2022	79,200	79,200	122,842

a) The Company has pledged its freehold land in respect of Non-Convertible Debentures (NCD's) issued by Barque Hotels Private Limited and SAMHI JV Business Hotels Private Limited in favor of Vistra FUL (India) Limited (Debenture Trustee)

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

a) CWIP aging schedule

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

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	100	150	2,202	120,390	122,842

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

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	150	2,202	4,738	115,652	122,742

(b) CWIP completion schedule

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

As on 31 March 2022

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project Kolkata	-	122,842	-	-	122,842

As on 31 March 2021

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project Kolkata	-	-	122,742	-	122,742

Paulnech Hospitality Private Limited

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

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

4 Non-current financial assets - Others

(Unsecured, considered good)

Security deposits

	As at 31 March 2022	As at 31 March 2021
	196	196
	<u>196</u>	<u>196</u>

5 Other non-current assets

Capital advances

Taxes paid under appeal (refer note 20)

Balance with statutory authorities

	1,661	954
	2,060	2,060
	8,669	8,391
	<u>12,390</u>	<u>11,405</u>

6 Current financial assets - Cash and cash equivalents

Balances with banks

- in current accounts

	135	165
	<u>135</u>	<u>165</u>

7 Other current assets

Prepaid expenses

	34	29
	<u>34</u>	<u>29</u>



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

B Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	2,000,000	20,000	2,000,000	20,000
	<u>2,000,000</u>	<u>20,000</u>	<u>2,000,000</u>	<u>20,000</u>
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	1,997,752	19,978	1,997,752	19,978
	<u>1,997,752</u>	<u>19,978</u>	<u>1,997,752</u>	<u>19,978</u>

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

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	1,997,752	19,978	1,997,752	19,978
Add: Issued during the year	-	-	-	-
At the end of the year	<u>1,997,752</u>	<u>19,978</u>	<u>1,997,752</u>	<u>19,978</u>

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having the par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding/ultimate holding company and/or their subsidiaries/ associates

Name of shareholder	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Barque Hotels Private Limited (Holding Company)*	1,997,752	19,978	1,997,752	19,978

d) Details of shareholders holding more than 5% shares

Name of shareholder	31 March 2022		31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Barque Hotels Private Limited *	1,997,752	100%	1,997,752	100%

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

e) As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

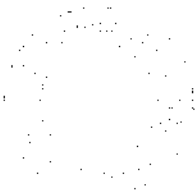
f) Details of shares held by promoters

As at 31 March 2022

S.no	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Barque Hotels Private Limited	1,997,752	-	1,997,752	100%	No Change

As at 31 March 2021

S.no	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Barque Hotels Private Limited	1,997,752	-	1,997,752	100%	No Change



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

9 Other equity	As at 31 March 2022	As at 31 March 2021
Securities premium	12,920	12,920
Retained earnings	(44,180)	(17,565)
	<u>(31,260)</u>	<u>(4,645)</u>

a) Securities premium

Balance at the beginning of the year	12,920	12,920
Add : Addition made during the year	-	-
Balance at the end of the year	<u>12,920</u>	<u>12,920</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.

b) Retained Earnings

Balance at the beginning of the year	(17,565)	3,740
Loss for the year	(26,615)	(21,305)
Balance at the end of the year	<u>(44,180)</u>	<u>(17,565)</u>

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



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

10 Non-current financial liabilities - Borrowings	As at	As at
	31 March 2022	31 March 2021
Unsecured loan from holding company *	220,657	192,276
	<u>220,657</u>	<u>192,276</u>

* Includes interest accrued on loan amounting to INR 87,540 (31 March 2021 - INR 64,259)

Loan from holding company is unsecured repayable on demand as per the mutual consent having interest rate of 12% per annum.

11 Current financial liabilities - Trade payables		
Trade payables		
total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	307	724
	<u>307</u>	<u>724</u>

a) Refer note 25 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

b) Refer note 22 for related party disclosure.

c) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 23.

Trade payables Ageing Schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Accrued expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	307	-	-	-	-	307

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Accrued expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	724	-	-	-	-	724

12 Current financial liabilities - Others		
Payable for capital assets	1,362	1,940
	<u>1,362</u>	<u>1,940</u>
13 Other current liabilities		
Statutory dues payable	20	17
	<u>20</u>	<u>17</u>
14 Current provisions		
Provision for income tax (refer note 20)	3,733	3,447
	<u>3,733</u>	<u>3,447</u>



15	Tax expense	For the year ended 31 March 2022	For the year ended 31 March 2021
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A. The major components of income tax expense are

Recognised in profit or loss		
Tax for prior years		284
Deferred tax		(2,443)
		<u>284</u>
		<u>(2,159)</u>

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

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	%	Amount	%	Amount
Loss before tax		(26,331)		(23,464)
Tax using the Company's domestic tax rate	25.17	(6,623)	25.17	(5,903)
Non recognition of deferred taxes on temporary differences	(25.17)	6,623	(0.58)	3,413
Non-deductible differences	-	-	(0.00)	19
Others	-	-	(0.01)	30
Effective tax rate	-	-	24.58	(2,443)

	As at 31 March 2022	As at 31 March 2021
C. Deferred tax assets / liabilities		
Deferred tax assets		
Unabsorbed business losses as per Income Tax Act, 1961	2,814	2,050
Interest on borrowings	18,967	13,108
	<u>21,781</u>	<u>15,158</u>
Deferred tax liabilities		
Property, plant and equipment and capital work in progress	11,745	11,745
	<u>11,745</u>	<u>11,745</u>
Deferred tax assets (net)	<u>(10,036)</u>	<u>(3,413)</u>
Deferred tax liability/(assets) recognised *	<u>-</u>	<u>-</u>

* As at 31 March 2022, the company has significant carry forward business losses as per Income Tax Act, 1961. In view of absence of reasonable certainty of sufficient future taxable profits, deferred tax assets has been recognized to the extent of deferred tax liabilities only.

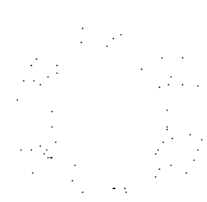
D. Movement in deferred tax balances

31 March 2022

Particulars	Balance as at 1 April 2021	Recognised in profit or loss during 2021-22	Balance as at 31 Mar 22
Property, plant and equipment and capital work in progress	(11,745)	-	(11,745)
Interest on borrowings	13,108	5,859	18,967
Unabsorbed business losses as per Income Tax Act, 1961	2,050	764	2,814
Total	<u>3,413</u>	<u>6,623</u>	<u>10,036</u>

31 March 2021

Particulars	Balance as at 1 April 2020	Recognised in profit or loss during 2020-21	Balance as at 31 March 2021
Property, plant and equipment and capital work in progress	(11,745)	-	(11,745)
Interest on borrowings	8,037	5,071	13,108
Unabsorbed business losses as per Income Tax Act, 1961	1,265	785	2,050
Total	<u>(2,443)</u>	<u>5,856</u>	<u>3,413</u>



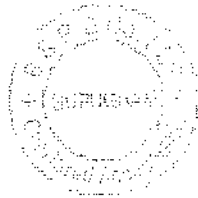
Paulmech Hospitality Private Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in Indian Rupees ('000), unless otherwise stated)

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	200	2022-23
Business loss	77	2023-24
Business loss	283	2024-25
Business loss	710	2025-26
Business loss	466	2026-27
Business loss	3,157	2027-28
Business loss	3,227	2028-29
Business loss	3,049	2029-30

	As at 31 March 2021 Amount	Expiry Date (Financial Year)
Business loss	11	2021-22
Business loss	200	2022-23
Business loss	77	2023-24
Business loss	283	2024-25
Business loss	710	2025-26
Business loss	466	2026-27
Business loss	3,157	2027-28
Business loss	3,241	2028-29



Paulmech Hospitality Private Limited

Notes to the financial statements 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
16 Other income		
Provision no longer required written back	328	-
	<u>328</u>	<u>-</u>
17 Finance costs		
Interest expense on financial liabilities at amortised cost		
- Others	23,281	20,148
Other finance cost	791	-
	<u>24,072</u>	<u>20,148</u>
18 Other expenses		
Repair and maintenance		
- Others	5	-
Communication	16	-
Contractual labour	935	-
General administration expenses	-	1,019
Insurance	130	-
Legal and professional fees	787	1,426
Miscellaneous expenses	21	-
Payment to auditors*	207	215
Power and fuel	255	292
Rates and taxes	231	347
Rent	-	17
	<u>2,587</u>	<u>3,316</u>
* Payment to auditors		
Statutory audit	200	200
Reimbursement of expenses	7	15
	<u>207</u>	<u>215</u>
19 Earnings per share (EPS)		
Net profit / (loss) available to equity shareholders	(26,615)	(21,305)
Weighted average number of equity shares for calculation of basic EPS	1,997,752	1,997,752
Weighted average number of equity shares for calculation of diluted EPS	1,997,752	1,997,752
Nominal value of equity share (INR)	10	10
Basic earnings per share (INR)	(13.32)	(10.66)
Diluted earnings per share (INR)	(13.32)	(10.66)



Paulmech Hospitality Private Limited

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

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

20 Contingent liabilities and commitments

Contingent liabilities

The Company had received an assessment order for financial year 2013-14 whereby an addition of INR 32,798 has been made to the total income of the Company. The Company has deposited INR 2,060 towards 15% amount of total demand of INR 13,723 and has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal. The Company is carrying a provision of INR 3,733 (31 March 2021: INR 3,447) in the books against the aforesaid case. Based on certain favorable judgments received and the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no further provision is required to be created in the books.

21 Operating Segments

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

A. Information about products and services

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

B. Information about geographical areas

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

C. Information about major customers (from external customers)

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

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

22 Related party disclosures

a) Name of related parties

Nature of relationship	Name of related party
Ultimate Holding Company	SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Holding company	Barque Hotels Private Limited

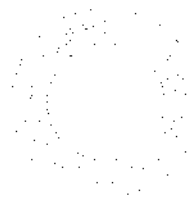
b) Transactions during the year:

Particulars	Holding Company	
	31 March 2022	31 March 2021
Unsecured loan taken		
Barque Hotels Private Limited	5,100	8,600
Interest expense on unsecured loan		
Barque Hotels Private Limited	23,281	20,148
Legal and professional fees		
Barque Hotels Private Limited	-	285

c) Outstanding balances at the year end

Particulars	Holding Company	
	31 March 2022	31 March 2021
Non current borrowings		
Barque Hotels Private Limited	220,657	192,276
Trade payables		
Barque Hotels Private Limited	-	22

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



23 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			Amortised Cost
	Level Of Hierarchy	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	
Financial assets				
Cash and cash equivalents		-	-	135
Others		-	-	196
Total financial assets		-	-	331
Financial liabilities				
Non-current Borrowings	3	-	-	220,657
Trade payables		-	-	307
Other current financial liabilities		-	-	1,362
Total financial liabilities		-	-	222,326

Particulars	31 March 2021			Amortised Cost
	Level Of Hierarchy	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	
Financial assets				
Cash and cash equivalents		-	-	165
Others		-	-	196
Total financial assets		-	-	361
Financial liabilities				
Non-current Borrowings	3	-	-	192,276
Trade payables		-	-	724
Other current financial liabilities		-	-	1,940
Total financial liabilities		-	-	194,940

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

The carrying amounts of trade payables, other current financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

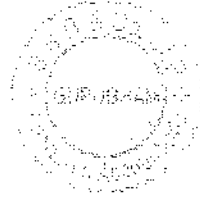
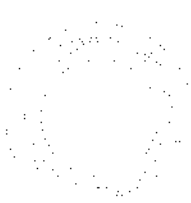
Interest rates on non-current borrowings are equivalent to market rate. Accordingly, the carrying value of such borrowings approximate the fair value.

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 valuation under Level 1, Level 2 and Level 3

There have been no transfers in either direction for the years ended 31 March 2021 and 31 March 2022.

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

C) 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 Ultimate Holding Company's chief financial officer 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 banks and financial institutions, only high rated banks/institutions are accepted.

The Company has given security deposits to vendors for securing services from them. The Company does not expect any default from these parties and accordingly the risk of default is negligible or nil.

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.

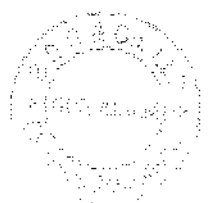
The Company's liquidity risk management includes maintaining sufficient cash and marketable securities and ensuring the availability of funds through support from holding company.

Consequently, the Company believes that proceeds from financing activities will continue to provide the necessary funds to cover its short term and long term liquidity needs.

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	220,657	220,657	-	-	-	220,657
Trade payables	307	307	307	-	-	-
Other current financial liabilities	1,362	1,362	1,362	-	-	-
	222,326	222,326	1,669	-	-	220,657
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	192,276	192,276	-	-	-	192,276
Trade payables	724	724	724	-	-	-
Other current financial liabilities	1,940	1,940	1,940	-	-	-
	194,940	194,940	2,664	-	-	192,276



Paulmech Hospitality Private Limited

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

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

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.

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 fixed interest rates.

The Company evaluates the interest rates in the market on a regular basis to explore the option of refinancing of the borrowings of the Company.

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		
Non-current borrowings	220,657	192,276

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.

24 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.

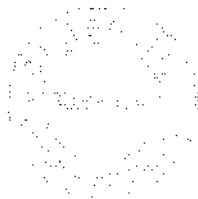
As a part of its capital management policy, the Company ensures compliance with all covenants and other capital requirements related to regulatory or contractual obligations of material consequence to the Company.

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

25 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	-	-
Interest	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest paid under the act beyond the appointed day during	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting	-	-
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.



Paulmech Hospitality Private Limited

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

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

26 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. 11,282 as at 31 March 2022, incurred a net loss of INR 26,615 during the year ended 31 March 2022 and, as of that date, the Company's current liabilities exceeded its current assets by INR 5,253. As on 31 March 2022, the Company has been largely funded by loans from its holding company which have not been demanded for repayment during the relevant financial year.

The Company has continued financial and operational support provided to the Company by SAMBH Hotels Limited (the ultimate holding company), has projected to generate profits from its operations post completion of Kolkata hotel which is currently under construction.

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 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.

27 New standards and interpretations, not yet adopted

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (India) 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 - Costs of Fulfilling a Contract: The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021): The amendment clarifies which facts 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 106 - Annual Improvements to Ind AS (2021): The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

28 Ratio Analysis and its elements

Ratio	In times/%	Numerator	Denominator	31 March 2022	31 March 2021	Remarks
Current Ratio	in times	Total Current Assets	Total Current Liabilities	0.03	0.03	
Debt-Equity Ratio	in times	Total Borrowings	Total Equity	(19.56)	12.54	Debt equity ratio has reduced due to increase in debt and losses
Return on Equity Ratio	in %	Loss after tax	Average Total Equity	-13.14%	-82%	Return on equity ratio has decreased due to losses leading to decrease in shareholder's equity
Return on Capital employed	in %	Loss before interest and taxes	Capital Employed : Tangible Net Worth + Total Borrowing	-1%	-2%	Return on capital employed improved with improvement in operating margins during the year.
Trade payables turnover ratio	in %	Other expenses	Average Trade Payables	5.02	3.64	Increase in ratio on account of decrease in trade payables

Paulmech Hospitality 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 the Company does not have any revenue generation unit till 31 March 2022, so Company has not presented the following ratios :

- a) Debt Service Coverage Ratio
- b) Inventory turnover ratio
- c) Trade Receivables turnover ratio
- d) Net capital turnover ratio
- e) Net profit ratio
- f) Return on investment

29 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.


30 Change in classification

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

Particulars	As per earlier reported	Revised classification	Difference
Assets			
Non current assets			
Financial assets			
Loans	196	-	196
Others	-	196	(196)

The notes from Note 1 to Note 30 form an integral part of these financial statements.

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



Vikram Advani
Partner
Membership No.: 091765

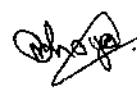
Place: New Delhi
Date: 19 August 2022

For and on behalf of Board of Directors of
Paulmech Hospitality Private Limited



Gyan Das
Director
DIN : 03563467

Place: Gurugram
Date: 19 August 2022



Manish Bhagat
Director
DIN : 08092409

Place: Gurugram
Date: 19 August 2022