

Independent Auditor's Report

To the Members of CASPIA Hotels Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CASPIA Hotels Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, 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 material 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 2024, and its loss and other comprehensive loss, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of Property, Plant and Equipment and Other Intangible Assets

See Note 44 to the financial statements

The key audit matter

As at 31 March 2024, the carrying value of Property Plant and Equipment and Other Intangible Assets amounts to INR 2,897.30 million (net of impairment loss of INR 369.96 million).

In accordance with the requirements of Ind AS 36 "Impairment of Assets", the Company

How the matter was addressed in our audit

Our audit procedures included:

- Tested the design, implementation, and operating effectiveness of key controls over the impairment assessment process.
- Assessed the indicators of impairment in assets at CGU level based on consideration of

Registered Office:

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<p>periodically assesses whether there is any indication that such property, plant and equipment and other intangible assets at cash generating unit (CGU) level may require impairment charge or reversal. If any such indication exists, the Company estimates the recoverable amount of these assets.</p> <p>To assess the recoverability of the CGU, management is required to make significant estimates and assumptions related to forecast of future revenue, operating margins, exit multiple and selection of the discount rates. The Company uses the discounted cash flow approach to determine the value in use of the CGU.</p> <p>In view of the significance of these assets and involvement of judgements and estimates, we have considered the impairment assessment of property, plant and equipment and other intangible assets as a key audit matter.</p>	<p>external and internal factors affecting the value and performance of CGU.</p> <ul style="list-style-type: none"> • Obtained management assessment of recoverable amount of CGU where impairment risk is identified and performed the following: <ol style="list-style-type: none"> i. Obtained an understanding of the Company's process for projecting the future cash flows for determining the recoverable amount of CGUs. ii. Evaluated the key market related assumptions such as discount rate and exit multiple with assistance of our valuation specialist. We also performed sensitivity analysis over these assumptions. iii. Assessed the reliability of cash flow forecasts through a retrospective review of actual performance in comparison to budgets. iv. Evaluated the reasonableness of the assumptions used in the cash flow forecasts which includes occupancy rate, average room rate and operating margins. To consider forecasting risk we also performed sensitivity analysis over these assumptions. • Assessed the appropriateness of the disclosures made in the financial statements.
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Revenue recognition	
See Note 24 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company is principally engaged in the business of owning hotels. It's revenue comprises hotel revenue (including room revenue, food and beverage revenue and revenue from recreation and other services).</p> <p>The accounting policies for different revenue streams are set out in Note 2.11 to the financial statements.</p> <p>Revenue is a key performance indicator of the Company and there is risk of overstatement of revenue due to fraud resulting from pressure to</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Tested the design, implementation and operating effectiveness of the key controls of the revenue recognition process. • Tested the Company's revenue recognition accounting policies are consistent with the applicable accounting standards. • Using statistical sampling basis, tested the revenue transactions recorded during the year (including year-end cut off testing) with the

Independent Auditor's Report (Continued)

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<p>achieve targets and earnings expectations.</p> <p>Considering the above, we have identified revenue recognition as a key audit matter.</p>	<p>underlying documents such as invoices, bank collections and other relevant documents, as applicable.</p> <ul style="list-style-type: none">• Tested the journal entries relating to revenue recognised during the year based on specified risk-based criteria, to identify unusual or irregular items.• Evaluated the adequacy of disclosures relating to the revenue recognition made in the standalone financial statements in accordance with the applicable accounting standards.
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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, loss and other comprehensive loss, 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

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for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, except for the following:
 - (i) the back-up of accounting softwares used for maintaining general ledger, food & beverage revenue records, payroll records and procure to pay records which forms part of the 'books of account and other relevant books and papers in electronic mode' have not been kept on servers physically located in India on a daily basis; and
 - (ii) for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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.

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- 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 17 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. 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 2024 on its financial position in its financial statements - Refer Note 32 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
 - i. In the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the respective independent auditor's reports of service organisations available for part of the year and in the absence of the independent auditor's reports of service



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organisations for the balance period, for accounting softwares used for maintaining the books of account relating to general ledger, food and beverage revenue, payroll and procure to pay process, which are operated by third-party software service providers, we are unable to comment whether audit trail feature for the said softwares was enabled and operated throughout the year for all relevant transactions, recorded in the respective softwares.

- ii. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to revenue process.
- iii. The feature of recording audit trail (edit log) facility was not enabled for the accounting software used for maintaining the books of account relating to general ledger.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

- 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, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Rahul Nayar

Rahul Nayar

Partner

Place: Gurugram

Date: 29 May 2024

Membership No.: 508605

ICAI UDIN: 24508605BKGUMO4038

Annexure A to the Independent Auditor's Report on the Financial Statements of CASPIA Hotels Private Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company. However, original title deeds are under lien with banks for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmation from banks.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets. As informed to us and as per the terms of sanction letter of such limits, there is no requirement on the Company to submit quarterly returns or statements with such bank.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or 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 clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (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

Annexure A to the Independent Auditor's Report on the Financial Statements of CASPIA Hotels Private Limited for the year ended 31 March 2024 (Continued)

prescribed the maintenance of cost records under Section 148(1) of the Act for the services rendered by the company. Accordingly, clause 3(vi) of the Order is not applicable.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Value Added Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund, Labour Welfare Fund, Income-Tax and Professional Tax.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Value Added Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (Rs. in Millions)	Period to which the amount relates	Due date	Date of payment
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	0.34	March 2019	15 April 2019	Not yet paid

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

Name of the statute	Nature of the dues	Amount (Rs. in Millions)	Paid under protest (Rs. in Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Unexplained sundry creditors and interest on delay in deposit of statutory	9.17	4.50	FY 2015-16	Commissioner of Income Tax (Appeals)

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Annexure A to the Independent Auditor's Report on the Financial Statements of CASPIA Hotels Private Limited for the year ended 31 March 2024 (Continued)

Name of the statute	Nature of the dues	Amount (Rs. in Millions)	Paid under protest (Rs. in Millions)	Period to which the amount relates	Forum where dispute is pending
	dues				
Income Tax Act, 1961	Unexplained expenditure under section 69C	2.46	0.49	FY 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Unexplained expenditure under section 69C	11.36	-	FY 2017-18	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender. As at 31 March 2024, the Company also has interest free loan of INR 3,277.64 millions from the holding company, repayable at the option of the Company and accordingly classified as "Other equity". As this loan is repayable at the option of the Company, there has been no default in repayment thereof.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short-term basis aggregating to INR 86.80 million for long-term purposes.
- (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 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the

Annexure A to the Independent Auditor's Report on the Financial Statements of CASPIA Hotels Private Limited for the year ended 31 March 2024 (Continued)

- 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 of a public limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit of the Company for the period under audit is currently under progress. Hence, the internal audit reports could not be considered by us.
- (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 INR 87.63 millions in the current financial year and INR 102.42 millions 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 40 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 2024. Further, the Company's current liabilities exceed its current assets as at 31 March 2024 by INR 177.08 millions.

Further, it explains the management's assessment of going concern assumption 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. The Company has obtained support letter from the Holding

**Annexure A to the Independent Auditor's Report on the Financial Statements of CASPIA Hotels Private Limited for the year ended 31 March 2024
(Continued)**

Company for providing operational and financial support for atleast one year from the date of signing of the financial statements.

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, 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



Rahul Nayar

Partner

Place: Gurugram

Date: 29 May 2024

Membership No.: 508605

ICAI UDIN:24508605BKGUMO4038

Annexure B to the Independent Auditor's Report on the financial statements of CASPIA Hotels Private Limited for the year ended 31 March 2024

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)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Qualified Opinion

We have audited the internal financial controls with reference to financial statements of CASPIA Hotels Private Limited ("the Company") as of 31 March 2024 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 maintained, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2024, 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") and except for the possible effects of the material weakness described in "Basis for Qualified Opinion" section of our report below on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of 31 March 2024.

We have considered the material weakness identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of 31 March 2024 financial statements of the Company, and the material weakness do not affect our opinion on the financial statements of the Company.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal controls with reference to financial statements as at 31 March 2024:

The Company's internal financial controls with reference to financial statements in respect of General Information Technology Controls (GITCs) and automated Information Technology (IT) Application Controls over the Company's Opera Application software were not operating effectively as at 31 March 2024. This could potentially result in understatement / overstatement of revenue from operations in the Company's financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

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

Annexure B to the Independent Auditor's Report on the financial statements of CASPIA Hotels Private Limited for the year ended 31 March 2024 (Continued)

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 qualified 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 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

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B S R & Co. LLP

**Annexure B to the Independent Auditor's Report on the financial statements
of CASPIA Hotels Private Limited for the year ended 31 March 2024
(Continued)**

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



Rahul Nayar

Partner

Place: Gurugram

Date: 29 May 2024

• Membership No.: 508605

ICAI UDIN:24508605BKGUMO4038

CASPIA Hotels Private Limited

CIN: U55209MH2005PTC155010

Balance Sheet as at 31 March 2024*(All amounts in Rupees millions, unless otherwise stated)*

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,891.98	2,963.47
Other intangible assets	4	5.32	5.77
Financial assets			
Other financial assets	5	101.12	60.47
Income tax assets (net)	6	42.45	28.61
Other non-current assets	8	42.31	41.28
Total non-current assets		3,083.18	3,099.60
Current assets			
Inventories	9	2.62	2.06
Financial assets			
Trade receivables	10	68.19	81.45
Cash and cash equivalents	11	64.02	94.27
Other financial assets	12	3.52	1.94
Other current assets	13	17.08	45.68
Total current assets		155.43	225.40
TOTAL ASSETS		3,238.61	3,325.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	180.00	180.00
Other equity	15	886.49	288.66
Total equity		1,066.49	468.66
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	1,836.52	2,364.63
Trade payables	17	-	-
- total outstanding dues of micro enterprises and small enterprises; and		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	3.38
Provisions	18	3.09	1.86
Total non-current liabilities		1,839.61	2,369.87
Current liabilities			
Financial liabilities			
Borrowings	19	105.95	281.36
Trade payables	20	-	-
- total outstanding dues of micro enterprises and small enterprises; and		2.69	4.94
- total outstanding dues of creditors other than micro enterprises and small enterprises		181.55	161.20
Other financial liabilities	21	20.59	18.63
Other current liabilities	22	19.83	18.43
Provisions	23	1.90	1.91
Total current liabilities		332.51	486.47
Total liabilities		2,172.12	2,856.34
TOTAL EQUITY AND LIABILITIES		3,238.61	3,325.00

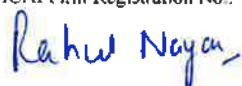
The notes from Note 1 to Note 45 form an integral part of these financial statements.

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022


Rahul Nayar

Partner

Membership No.: 508605

Place: Gurugram
Date: 29 May 2024

For and on behalf of Board of Directors of

CASPIA Hotels Private Limited


Gyana Das

Director

DIN: 03563467

Place: Gurugram
Date: 29 May 2024**Rajat Mehra**

Director

DIN: 06813081

Place: Gurugram
Date: 29 May 2024

Hima Goel

Company Secretary

Membership No.: A40688

Place: Gurugram
Date: 29 May 2024

CASPIA Hotels Private Limited
CIN: U55209MH2005PTC155010

Statement of Profit and Loss for the year ended 31 March 2024

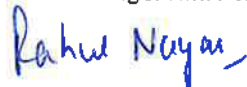
(All amounts in Rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	24	825.91	749.63
Other income	25	4.77	15.19
Total income		830.68	764.82
Expenses			
Cost of materials consumed	26	75.66	71.60
Employee benefits expense	27	157.89	128.54
Other expenses	30	431.89	387.76
		665.44	587.90
Earnings before finance costs, depreciation and amortisation and tax		165.24	176.92
Finance costs	28	253.57	286.12
Depreciation and amortisation expense	29	94.43	102.31
		348.00	388.43
Loss before tax		(182.76)	(211.51)
Tax expense	7	-	-
Loss for the year		(182.76)	(211.51)
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss</i>			
- Re-measurement gain/(loss) on defined benefit obligations	27	(0.11)	(0.23)
Other comprehensive income/(loss) for the year, net of tax		(0.11)	(0.23)
Total comprehensive loss for the year		(182.87)	(211.74)
Earnings/(loss) per equity share (Face value of INR 10 each):	31		
Basic (INR)		(10.15)	(11.75)
Diluted (INR)		(10.15)	(11.75)

The notes from Note 1 to Note 45 form an integral part of these financial statements.

As per our report of even date attached

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



Rahul Nayar
Partner
Membership No.: 508605

Place: Gurugram
Date: 29 May 2024

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


Gyana Das
Director
DIN: 03563467


Rajat Mehra
Director
DIN: 06813081

Place: Gurugram
Date: 29 May 2024

Place: Gurugram
Date: 29 May 2024



Hima Goel
Company Secretary
Membership No.: A40688

Place: Gurugram
Date: 29 May 2024

CASPIA Hotels Private Limited
CIN: U55209MH2005PTC155010
Statement of Changes in Equity for the year ended 31 March 2024
(All amounts in Rupees millions except for share details and unless otherwise stated)

a. Equity share capital

Particulars	Number of shares	Amount
As at 01 April 2022	18,000,000	180.00
Changes in equity share capital during the year	-	-
As at 31 March 2023	18,000,000	180.00
Changes in equity share capital during the year	-	-
As at 31 March 2024	18,000,000	180.00

b. Other equity (refer note 15)

Particulars	Equity component of interest free loan from holding company	Reserves and Surplus			Total
		Capital Reserve	Retained earnings	Re-measurement gain/(loss) on defined benefit obligations	
Balance as at 1 April 2022	2,496.94	366.63	(2,363.17)	-	500.40
Profit/(loss) for the year	-	-	(211.51)	(0.23)	(211.74)
Total comprehensive loss	-	-	(211.51)	(0.23)	(211.74)
Transferred to retained earnings	-	-	(0.23)	0.23	-
Balance as at 31 March 2023	2,496.94	366.63	(2,574.91)	-	288.66
Loss for the year	-	-	(182.76)	(0.11)	(182.87)
Total comprehensive loss	-	-	(182.76)	(0.11)	(182.87)
Transferred to retained earnings	-	-	(0.11)	0.11	-
Movement of loan from Holding Company - Recognised directly in other equity	780.70	-	-	-	780.70
Balance as at 31 March 2024	3,277.64	366.63	(2,757.78)	-	886.49

The notes from Note 1 to Note 45 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

Rahul Nayyar,
Partner
Membership No.: 508605

Place: Gurugram
 Date: 29 May 2024

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

Gyana Das
Director
DIN: 03563467

Rajat Mehra
Director
DIN: 06813081

Hima Goel
Company Secretary
Membership No.: A40688

Place: Gurugram
 Date: 29 May 2024

Place: Gurugram
 Date: 29 May 2024

Place: Gurugram
 Date: 29 May 2024

CASPIA Hotels Private Limited
CIN: U55209MH2005PTC155010
Statement of Cash Flows for the year ended 31 March 2024
(All amounts in Rupees millions, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from operating activities		
Loss before tax	(182.76)	(211.51)
Adjustments:		
Depreciation and amortisation expense	94.43	102.31
Finance costs	253.57	286.12
Loss allowance for trade receivables	3.53	4.61
Unrealised loss on foreign exchange fluctuation (net)	0.70	6.78
Interest income	(4.77)	(6.47)
Gain on modification of financial liabilities	-	(8.55)
Operating profit before movement in assets and liabilities	164.70	173.29
(Increase) in inventories	(0.56)	(0.19)
Decrease / (increase) in trade receivables	9.73	(59.09)
Decrease / (increase) in other financial assets	(3.29)	1.64
Decrease in other assets	28.74	11.76
Increase in trade payables	11.22	5.91
Increase / (decrease) in other liabilities	1.40	(7.28)
Increase in provisions	1.11	0.25
Increase in other financial liabilities	0.80	1.72
Cash generated by operating activities	213.85	128.02
Income taxes paid (net)	(13.84)	(3.37)
Net cash generated from operating activities (A)	200.01	124.65
B. Cash flow from investing activities		
Purchase of property, plant and equipment and other intangible assets	(21.54)	(7.01)
Proceeds from maturity of bank deposits	578.60	623.67
Bank deposits made	(615.26)	(646.43)
Interest received	2.49	6.11
Net cash used in investing activities (B)	(55.71)	(23.66)
C. Cash flow from financing activities		
Proceeds from non-current borrowings	168.90	68.50
Repayment of non-current borrowings	(873.54)	(219.72)
Proceeds from interest free loans from Holding Company	780.70	-
Proceeds from current borrowings (net of repayment)	(1.15)	16.82
Finance costs paid	(249.46)	(278.40)
Net cash used in financing activities (C)	(174.55)	(412.80)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(30.25)	(311.81)
Cash and cash equivalents at the beginning of the year	94.27	406.08
Cash and cash equivalents at the end of the year	64.02	94.27

	As at 31 March 2024	As at 31 March 2023
i. Components of Cash and cash equivalents		
Balance with banks		
- in current accounts	61.93	92.43
- in deposit accounts (with original maturity of 3 months or less)	1.50	1.58
Cash on hand	0.59	0.26
	64.02	94.27



CASPIA Hotels Private Limited
CIN: U55209MH2005PTC155010
Statement of Cash Flows for the year ended 31 March 2024
(All amounts in Rupees millions, unless otherwise stated)

ii. Movement in financial liabilities - Borrowings including accrued interest

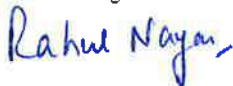
	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening Balance	2,652.85	2,785.16
Changes from financing cash flows		
Proceeds from non-current borrowings	168.90	68.50
Repayment of non-current borrowings	(873.54)	(219.72)
Proceeds from current borrowings (net of repayment)	(1.15)	16.82
Finance costs paid	(249.46)	(278.40)
Other non cash changes		
Finance cost expense	250.77	280.49
Closing Balance	1,948.37	2,652.85

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

The notes from Note 1 to Note 45 form an integral part of these financial statements.

As per our report of even date attached



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



Rahul Nayar
Partner
Membership No.: 508605

Place: Gurugram
Date: 29 May 2024

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

Gyana Das
Director
DIN: 03563467

Rajat Mehra
Director
DIN: 06813081

Place: Gurugram
Date: 29 May 2024

Place: Gurugram
Date: 29 May 2024



Hima Goel
Company Secretary
Membership No.: A40688

Place: Gurugram
Date: 29 May 2024

CASPIA Hotels Private Limited
CIN: U55209MH2005PTC155010

Notes to the financial statements for the year ended 31 March 2024

(All amounts in Rupees millions, unless otherwise stated)

1.1 Corporate information

CASPIA Hotels Private Limited ('the Company') is a company domiciled in India. The Company was incorporated in India on 22 July 2005 as per the provisions of Indian Companies Act and is limited by shares. The registered office of the Company is at B-7 Om Parshwanath Apartments, Desai and Sheth Nagar, Sai Baba Nagar, Borivali (West), Mumbai, Maharashtra, India, 400092 and the corporate office of the Company is situated at 14th Floor, Building 10 C, Cyber City, Phase-II, Gurugram, Haryana, India, 122002.

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

Presently, the Company has three hotels under it (Renaissance, Ahmedabad; Fairfield by Marriott, Coimbatore and Four Points by Sheraton, Vizag) which are operational.

1.2 Basis of preparation

A. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were approved for issue by the Company's Board of Directors on 29 May 2024.

Details of the Company's accounting policies, including changes thereto, are included in Note 2 and Note 2A.

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 millions, unless otherwise indicated.

C. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

Items	Measurement Basis
Financial assets and liabilities i.e., derivative instruments	Fair Value

Also refer note 40 for going concern basis of accounting used by the management.

D. Use of estimates and judgments

In preparing these financial statements, management has made judgments and estimates that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

i) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', which involves key assumptions about the likelihood and magnitude of an outflow of resources.

ii) Useful lives, recoverable amounts and impairment of property, plant and equipment and other intangible assets

The estimated useful lives and recoverable amounts of property, plant and equipment and other intangible assets 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 and other intangible assets at the end of each reporting date.

iii) Employee benefit obligations

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

iv) Fair value measurement of financial instruments

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

Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also, refer note 36 for further disclosures.

v) Measurement of expected credit loss allowance for trade receivables

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.

vi) Recognition of Deferred tax assets/liabilities

Recognition of deferred tax assets/liabilities involves making judgements and estimations about the availability of future taxable profit against which carried forward tax losses can be used. A deferred tax asset is recognised for unused tax losses and deductible temporary differences, 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.

vii) Going Concern assumption

The financial statements of the Company have been prepared on a going concern basis. The Company has prepared budgets / cash flow forecasts, which involves judgement and estimation around the sources of funds required to meet the future financial obligations and cash flow requirements. Also refer note 40.

E. Current and non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

F. Measurement of fair values

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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 at 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.



CASPIA Hotels Private Limited
CIN: U55209MH2005PTC155010

Notes to the financial statements for the year ended 31 March 2024

(All amounts in Rupees millions, unless otherwise stated)

Further information about the assumptions made in measuring fair values is included in Note 36.

2. Material 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 of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

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

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

Subsequent costs and disposal

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

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

Depreciation

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

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

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



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

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

Freehold land is not depreciated.

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

2) Other intangible assets

Recognition and measurement

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

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

Amortisation

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

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

3) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



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 (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

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

- Amortised cost
- Debt investment measured at fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)
- Equity investments measured at fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.



These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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

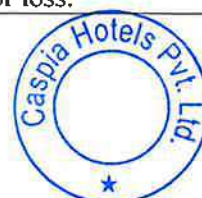
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and 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;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

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



Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derecognition*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

v. *Interest free loans*

The Company has obtained interest free loan from its holding company. Such interest free loans are measured at fair values determined using a present value technique with inputs that include future cash flows and discount rates that reflect assumptions that market participants would apply in pricing such loans. The difference between the transaction price and the fair value of such loans have been recognised as equity component in the books of the Company. The loan component is subsequently measured at amortised costs and interest expense is recognised using effective interest rate method. On modification in the terms of such loans wherein they became repayable at the option of the borrower resulting in it becoming perpetual debt, such loans including accrued interest up to the date of modification have been treated as other equity.

vi. *Modification of financial assets and liabilities*

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Financial assets:

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

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

Financial Liabilities:

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

4) Impairment

A. Impairment of financial instruments

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at Fair value through profit and loss (FVTPL) are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

12-month expected credit losses are the portion of expected credit losses that result from default events

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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.

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.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

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

B. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the asset's (or cash generating unit's) fair value less costs to sell 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) {CGU}.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill

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allocated, if any to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

5) Inventories

Inventories which comprises stock of food and beverages (including liquor), operating supplies and stock-in-trade are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to their present location and condition. In determining the cost, first in first out ("FIFO") method is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale.

6) Government grants and subsidies

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

7) Provisions (other than employee benefits)

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 at each reporting date.

8) Contingent liabilities

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



9) Borrowing costs

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

10) Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plan – Provident fund and Employee state insurance

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

Defined benefit plan – Gratuity

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

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

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



resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

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

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

11) Revenue recognition

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

Contract asset represents the Company's right to consideration in exchange for services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time.

When there is unconditional right to receive cash, and only passage of time is required to do invoicing, the same is presented as Unbilled revenue.

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services and the Company is under an obligation to provide only the goods or services under the contract. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

The specific recognition criteria described below must also be met before revenue is recognized:

Room revenue, sale of food and beverages and other services

Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue comprises room revenue, sale of food and beverages, recreation and other services (including banquet and allied services) relating to hotel operations. Revenue is recognised upon rendering of the services and sale of food and beverages which is recognised once the rooms are occupied, food and beverages are sold and other services have been provided as per the contract with the customer.

12) Recognition of dividend income, interest income or expense

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

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

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

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

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

13) Foreign currency translation

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 Statement of profit and loss.

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

14) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or 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 payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at 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
 - at the time of transaction (i) affects neither accounting nor taxable profit or loss and (ii) does

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not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. 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; such reductions are reversed when the probability of future taxable profits improves.

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 they relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

15) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). In accordance with Ind AS 108, "Operating Segments", the operating segments used to present segment information are identified on the basis of information reviewed by the CODM to allocate resources to the segments and assess their performance.

16) Earnings per share

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

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



CASPIA Hotels Private Limited
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Notes to the financial statements for the year ended 31 March 2024

(All amounts in Rupees millions, unless otherwise stated)

17) Cash and cash equivalents

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

18) Measurement of earnings before finance costs, depreciation and amortisation and tax (EBITDA)

The Company has elected to present earnings before finance costs, depreciation and amortisation and tax (EBITDA) as a separate line item on the face of the Statement of profit and loss. The Company measures EBITDA on the face of profit/ (loss) from continuing operations. In the measurement, the Company does not include finance costs, depreciation and amortisation expense, exceptional items and tax expense.

19) Expenditure

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

2A. Changes in material accounting policies

1) Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendment to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.



3 Property, plant and equipment

Reconciliation of carrying amount	Freehold land	Buildings	Furniture and fixtures	Plant and machinery	Vehicles	Computers and accessories	Office equipment	Total
Gross carrying amount								
Balance as at 01 April 2022	1,711.63	1,812.48	197.27	619.45	4.25	55.50	14.29	4,114.87
Additions during the year	-	2.76	0.27	4.08	-	0.42	0.06	7.59
Deletions during the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	1,711.63	1,815.24	197.54	623.53	4.25	55.92	14.35	4,422.46
Additions during the year	-	0.43	1.75	10.92	-	7.97	-	21.07
Deletions during the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	1,711.63	1,815.67	199.29	634.45	4.25	63.89	14.35	4,443.53
Accumulated depreciation and impairment losses								
Balance as at 01 April 2022	-	778.97	163.20	350.86	3.68	49.95	13.20	1,359.86
Depreciation charge for the year	-	55.60	9.21	31.77	0.20	1.92	0.43	99.13
Balance as at 31 March 2023	-	834.57	172.41	382.63	3.88	51.87	13.63	1,458.99
Depreciation charge for the year	-	51.71	6.15	32.83	0.11	1.75	0.01	92.56
Balance as at 31 March 2024	-	886.28	178.56	415.46	3.99	53.62	13.64	1,551.55
Net carrying amount								
Balance as at 31 March 2023	1,711.63	980.67	25.13	240.90	0.37	4.05	0.72	2,963.47
Balance as at 31 March 2024	1,711.63	929.39	20.73	218.99	0.26	10.27	0.71	2,891.98

a) Refer to Note 16 for information on property, plant and equipment pledged as security by the Company.
b) Refer note 44 for disclosures in relation to impairment of assets.
c) Accumulated depreciation includes impairment loss of INR 367.51 (31 March 2023 : INR 367.51).

4 Other intangible assets

Reconciliation of carrying amount	Computer software	Total
Gross carrying amount		
Balance as at 01 April 2022	23.45	23.45
Additions during the year	0.71	0.71
Balance as at 31 March 2023	24.16	24.16
Additions during the year	1.42	1.42
Balance as at 31 March 2024	25.58	25.58
Accumulated amortisation		
Balance as at 01 April 2022	15.21	15.21
Amortisation expense for the year	3.18	3.18
Balance as at 31 March 2023	18.39	18.39
Amortisation expense for the year	1.87	1.87
Balance as at 31 March 2024	20.26	20.26
Net carrying amount		
Balance as at 31 March 2023	5.77	5.77
Balance as at 31 March 2024	5.32	5.32

a) Accumulated amortisation includes impairment loss of INR 2.45 (31 March 2023 : INR 2.45)



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CASPIA Hotels Private Limited
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Notes to the financial statements for the year ended 31 March 2024

(All amounts in Rupees millions, unless otherwise stated)

5 Non-current financial assets - Others

(Unsecured considered good)

Bank deposits (due to mature after 12 months from the reporting date)*#
Security deposits

	As at 31 March 2024	As at 31 March 2023
	88.96	50.02
	12.16	10.45
	<u>101.12</u>	<u>60.47</u>

* including interest accrued of INR 3.79 (31 March 2023 - INR 1.50)

includes deposits under lien amounting to INR 85.17 (31 March 2023 - INR 48.52)

6 Other tax assets (net)

Tax deducted at source

	As at 31 March 2024	As at 31 March 2023
	42.45	28.61
	<u>42.45</u>	<u>28.61</u>

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7 Income tax

For the year ended
31 March 2024

For the year ended
31 March 2023

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

Recognised in profit or loss

Current tax
Deferred tax

-	-
-	-
-	-

Recognised in Other comprehensive income

Income tax on other comprehensive income

-	-
-	-

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 2024

For the year ended
31 March 2023

	%	Amount	%	Amount
Loss before tax		(182.76)		(211.51)
Tax using the Company's domestic tax rate	25.17	(46.00)	25.17	(53.24)
Tax Effect of:				
Non recognition of deferred taxes on temporary differences	(21.93)	40.08	(24.92)	52.71
Non-deductible differences	(0.08)	0.14	(0.02)	0.04
Others	(3.16)	5.78	(0.23)	0.49
Effective tax rate	-	-	-	-

C. Deferred tax assets / liabilities

As at
31 March 2024

As at
31 March 2023

Deferred tax assets

Unabsorbed business losses and depreciation
Loss allowance for trade receivables
Disallowance under section 43B of Income tax Act, 1961, for accrued interest
Provision for employee benefits

695.85	649.86
3.35	2.46
28.48	28.48
2.66	2.10
730.34	682.90

Deferred tax liabilities

Property, plant and equipment and other intangible assets
Others

(174.60)	(166.54)
(0.03)	(0.73)
(174.63)	(167.27)

Net deferred tax asset

555.71	515.63
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Deferred tax asset recognised*

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

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D. Movement in temporary differences

31 March 2024

Particulars	Balance as at 01 April 2023 (A)	Deferred tax on differences generated but not recognised during the period (B)	Balance as at 31 March 2024 (C=A+B)
Deferred tax assets			
Unabsorbed business losses and depreciation	649.86	45.99	695.85
Disallowance under section 43B of Income tax Act, 1961, for accrued interest	28.48	-	28.48
Loss allowance for trade receivables	2.46	0.89	3.35
Provision for employee benefits	2.10	0.56	2.66
Deferred tax liabilities			
Property, plant and equipment and other intangible assets	(166.54)	(8.06)	(174.60)
Others	(0.73)	0.70	(0.03)
Total	515.63	40.08	555.71

31 March 2023

Particulars	Balance as at 01 April 2022 (A)	Deferred tax on differences generated but not recognised during the period (B)	Balance as at 31 March 2023 (C=A+B)
Deferred tax assets			
Unabsorbed business losses and depreciation	588.48	61.38	649.86
Disallowance under section 43B of Income tax Act, 1961, for accrued interest	28.48	-	28.48
Loss allowance for trade receivables	1.30	1.16	2.46
Provision for employee benefits	2.06	0.04	2.10
Deferred tax liabilities			
Property, plant and equipment and other intangible assets	(157.40)	(9.14)	(166.54)
Others	-	(0.73)	(0.73)
Total	462.92	52.71	515.63

E. Tax Losses carried forward

Tax losses on which no deferred tax asset was recognised with expiry date are as follows:

	As at 31 March 2024	
	Amount	Expiry Period (FY)
Business loss	42.31	2024-25
Business loss	263.47	2025-26
Business loss	196.97	2026-27
Business loss	133.98	2027-28
Business loss	210.74	2028-29
Business loss	237.11	2029-30
Business loss	106.77	2030-31
Business loss	79.31	2031-32
Unabsorbed depreciation	1,494.14	Never expire
	As at 31 March 2023	
	Amount	Expiry Period (FY)
Business loss	22.42	2023-24
Business loss	42.31	2024-25
Business loss	263.47	2025-26
Business loss	196.97	2026-27
Business loss	133.98	2027-28
Business loss	210.74	2028-29
Business loss	237.11	2029-30
Business loss	107.38	2030-31
Unabsorbed depreciation	1,367.72	Never expire

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8 Other non-current assets (Unsecured, considered good)	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	0.25	0.39
Capital advances	37.07	35.90
Taxes paid under protest (Refer note 32)	4.99	4.99
	<u>42.31</u>	<u>41.28</u>
	As at 31 March 2024	As at 31 March 2023
9 Inventories (valued at the lower of cost and net realisable value)		
Food and beverages	2.62	2.06
	<u>2.62</u>	<u>2.06</u>
For current assets secured against borrowings, refer note 16.		
10 Current financial assets - Trade receivables (Unsecured)	As at 31 March 2024	As at 31 March 2023
Trade receivables		
-Considered good	60.34	74.85
-Credit impaired	8.33	6.12
Unbilled revenue*		
-Considered good	12.82	10.25
	<u>81.49</u>	<u>91.22</u>
Less : Loss allowance	(13.30)	(9.77)
	<u>68.19</u>	<u>81.45</u>

* Net of advances from customers of INR 4.29 (31 March 2023 - INR 10.93)

- a) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 36.
b) For receivables secured against borrowings, refer to note 16.
c) Refer Note 35 for receivables from related parties.

Trade receivable ageing schedule

As at 31 March 2024

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled Revenue	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	12.83	52.67	4.73	2.90	0.03	-	73.16
(ii) Undisputed Trade receivables – credit impaired	-	-	-	-	2.33	6.00	8.33

As at 31 March 2023

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled Revenue	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	10.25	64.79	7.65	0.42	0.26	1.73	85.10
(ii) Undisputed Trade receivables – credit impaired	-	-	-	2.11	0.05	3.96	6.12

The Company does not have any disputed trade receivables as at 31 March 2024 and 31 March 2023.



11 Current financial assets - Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- in current accounts	61.93	92.43
- in deposit accounts (with original maturity of 3 months or less)*	1.50	1.58
Cash on hand	0.59	0.26
	<u>64.02</u>	<u>94.27</u>

* including interest accrued of INR Nil (31 March 2023 - INR 0.01)

12 Current financial assets - other financial assets
(Unsecured, considered good)

	As at 31 March 2024	As at 31 March 2023
Security deposits	1.07	1.06
Other receivables	2.45	0.88
	<u>3.52</u>	<u>1.94</u>

13 Other current assets
(Unsecured, considered good)

	As at 31 March 2024	As at 31 March 2023
Staff advance	0.10	0.36
Advance to suppliers	0.80	1.78
Balance with statutory authorities	4.99	17.99
Other advances *	-	14.46
Prepaid expenses	11.19	11.09
	<u>17.08</u>	<u>45.68</u>

* Refer note 35 for related party balances.

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14 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	35,000,000	350.00	35,000,000	350.00
	<u>35,000,000</u>	<u>350.00</u>	<u>35,000,000</u>	<u>350.00</u>
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	18,000,000	180.00	18,000,000	180.00
	<u>18,000,000</u>	<u>180.00</u>	<u>18,000,000</u>	<u>180.00</u>

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

	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	18,000,000	180.00	18,000,000	180.00
Balance at the end of the year	<u>18,000,000</u>	<u>180.00</u>	<u>18,000,000</u>	<u>180.00</u>

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having the par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The equity shares are entitled to receive dividend as and when declared.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

Name of shareholder	As At 31 March 2024		As At 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
SAMHI Hotels Limited (Holding Company)*	18,000,000	180.00	18,000,000	180.00

d) Details of shareholders holding more than 5% shares

Name of shareholder	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
SAMHI Hotels Limited ('Holding Company')*	18,000,000	100%	18,000,000	100%

*Mr. Ashish Jakhanwala holds 1 equity share as a nominee shareholder.

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

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

f) Details of shares held by promoters

As at 31 March 2024

S.No	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	SAMHI Hotels Limited	18,000,000	-	18,000,000	100%	No change

As at 31 March 2023

S.No	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	SAMHI Hotels Limited	18,000,000	-	18,000,000	100%	No change

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15 Other equity

	As at 31 March 2024	As at 31 March 2023
Capital reserve	366.63	366.63
Retained earnings	(2,757.78)	(2,574.91)
Equity component of interest free loan from holding company (net of tax)	3,277.64	2,496.94
	<u>886.49</u>	<u>288.66</u>

	As at 31 March 2024	As at 31 March 2023
a) Capital Reserve		
Balance at the beginning of the year	366.63	366.63
Balance at the end of the year	<u>366.63</u>	<u>366.63</u>

This represents capital reserve on business combination being the difference between purchase consideration and fair value of net assets/liabilities acquired.

b) Retained Earnings

Balance at the beginning of the year	(2,574.91)	(2,363.17)
Loss for the year	(182.76)	(211.51)
Transferred from other comprehensive income	(0.11)	(0.23)
	<u>(2,757.78)</u>	<u>(2,574.91)</u>

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

c) Remeasurement of defined benefit liability

Balance at the beginning of the year	-	-
Remeasurement of defined benefit liability / asset (net of tax)	(0.11)	(0.23)
Transferred to retained earnings	0.11	0.23
	<u>-</u>	<u>-</u>

Remeasurements of defined benefit liability comprises actuarial gains and losses.

d) Equity component of interest free loans from Holding Company

Balance at the beginning of the year	2,496.94	2,496.94
Add: Loan from Holding Company - Recognised directly in other equity	780.70	-
	<u>3,277.64</u>	<u>2,496.94</u>

This represents the interest free unsecured loans received from SAMHI Hotels Limited, the Holding Company which are repayable at the option of the Company (considered as perpetual debt).

16 Non-current financial liabilities - Borrowings

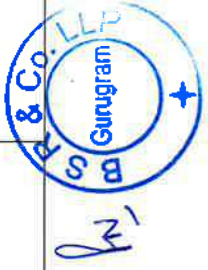
	As at 31 March 2024	As at 31 March 2023
Term loans from banks (secured)	1,932.70	2,636.03
Less: Interest accrued on borrowings (refer note 21)	(5.90)	(6.86)
Less: Current maturities of long-term borrowings (refer note 19)	(90.28)	(264.54)
	<u>1,836.52</u>	<u>2,364.63</u>

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16 Non-current financial liabilities - Borrowings (Continued)

Particulars	Carrying Amount as on 31 March 2024 (INR Millions)	Carrying Amount as on 31 March 2023 (INR Millions)	Sanctioned Amount (INR Millions)	Interest rate charged per annum		Repayment Terms	Security Details
				As at 31 March 2024	As at 31 March 2023		
HDFC Bank	523.77	589.40	610.00	1 year MCLR + 135 bps i.e. 9.55%	1 year MCLR + 135 bps i.e. 9.90%	The loan is repayable in 36 quarterly installments starting from February 2019. (i) Movable fixed assets of the hotel (Four Points By Sheraton, Visakhapatnam) (ii) Current assets of the hotel (iii) Immovable assets of the hotel (iv) First exclusive pari passu charges over Escrow account. The Company has defaulted in meeting certain financial covenants as mentioned in the sanction letter/ loan agreement, although no intimation from bank has been received for recalling the said facility. Subsequent to 31 March 2024, the Company has sought and received waiver letter from the lender.	
HDFC Bank	170.71	213.93	315.20	ECLGS 2.0: 1 year MCLR + 25 bps i.e. 9.25% ECLGS 3.0: 1 year MCLR + 30 bps i.e. 9.25% ECLGS 3.0 extension: 1 year MCLR + 30 bps i.e. 9.25%	ECLGS 2.0: 1 year MCLR + 25 bps i.e. 9.25% ECLGS 3.0: 1 year MCLR + 30 bps i.e. 8.50%	Tranche 1 During the year ended 31 March 2021, the Company had obtained working capital term loan amounting to INR 122.80 (under ECLGS scheme). The loan is repayable in 48 monthly installments after 12 months from first disbursement date i.e. 11 February 2021. Interest shall be payable at monthly intervals. Tranche 2 During the year ended 31 March 2022, the Company had obtained working capital term loan amounting to INR 122.80 (under ECLGS scheme). The loan is repayable in 48 monthly installments after 24 months from first disbursement date i.e. 28 September 2021. Interest shall be payable at monthly intervals. Tranche 3 During the year ended 31 March 2024, the Company had obtained working capital term loan amounting to INR 69.60 (under ECLGS scheme). The loan is repayable in 48 monthly installments after 24 months from first disbursement date i.e. 22 May 2023. Interest shall be payable at monthly intervals.	The working capital term loan is secured by extension of second-ranking charge over existing securities provided for the term loan (Four Points By Sheraton, Visakhapatnam). The Company has defaulted in meeting certain financial covenants as mentioned in the sanction letter/ loan agreement, although no intimation from bank has been received for recalling the said facility. Subsequent to 31 March 2024, the Company has sought and received waiver letter from the lender.
Standard Chartered Bank	593.15	749.20	900.00	MCLR + Margin of 2.35% p.a i.e. 10.75%	MCLR + Margin of 2.35% p.a i.e. 11.25%	The loan is repayable in 45 quarterly installments starting after 12 months from the date of disbursement i.e. 31 May 2017. (i) First exclusive mortgage / charge on Renaissance Ahmedabad (Hotel). (ii) First exclusive charge / hypothecation on the movable fixed assets of the Hotel (iii) First exclusive charge on present and future receivables of the Hotel (iv) Cash shortfall undertaken by the Holding Company. The Company has defaulted in meeting certain financial covenants as mentioned in the sanction letter/ loan agreement, although no intimation from bank has been received for recalling the said facility. Subsequent to 31 March 2024, the Company has sought and received waiver letter from the lender.	Term loan from Standard Chartered Bank is secured by: (i) First exclusive mortgage / charge on Renaissance Ahmedabad (Hotel). (ii) First exclusive charge / hypothecation on the movable fixed assets of the Hotel (iii) First exclusive charge on present and future receivables of the Hotel (iv) Cash shortfall undertaken by the Holding Company. The Company has defaulted in meeting certain financial covenants as mentioned in the sanction letter/ loan agreement, although no intimation from bank has been received for recalling the said facility. Subsequent to 31 March 2024, the Company has sought and received waiver letter from the lender.



Particulars	Carrying Amount as on 31 March 2024 (INR Millions)	Carrying Amount as on 31 March 2023 (INR Millions)	Sanctioned Amount (INR Millions)	Interest rate charged per annum		Repayment Terms	Security Details
				As at 31 March 2024	As at 31 March 2023		
Standard Chartered Bank	-	297.50	439.30	NA	9.25%	<p>Tranche 1 The working capital term loan amount of INR 170.00 is repayable in 48 monthly instalments after 12 months of moratorium from date of first disbursement i.e. 31 March 2021.</p> <p>Tranche 2 The working capital term loan amount of INR 170.00 is repayable in 48 monthly instalments after 24 months of moratorium from date of first disbursement i.e. 07 March 2022.</p> <p>Tranche 3 The working capital term loan amount of INR 99.30 is repayable in 48 monthly instalments after 24 months of moratorium from date of first disbursement i.e. 28 April 2023.</p> <p>During the year ended 31 March 2024, the loan has been repaid in full.</p>	<p>Working capital Term Loan is secured by:</p> <p>(i) Second charge on Renaissance Ahmedabad (Hotel). (ii) Second charge on the moveable fixed assets of the Hotel (iii) Second charge on present and future receivables of the Hotel (iv) Second charge over DSRA amount of 1 quarter's interest and principal instalment amount</p>
State Bank of India	467.32	529.51	545.30	6 Month MCLR + 4.55% i.e. 9.75%	6 Month MCLR + 4.55% i.e. 12.85%	<p>The loan is repayable in 48 quarterly instalments starting from June 2020</p>	<p>Term Loan from State Bank of India is secured by :</p> <p>(i) First charge by the way of equitable mortgage on entire fixed assets of the project Hotel land Area & Hotel Building. (Fairfields Hotel, Coimbatore) (ii) First charge by the way of hypothecation on the entire moveable fixed assets of the hotel. (iii) First charge on all the monies lying in the designated account, all project revenues and insurance proceeds of the hotel. (iv) First charge over all the rights, titles, benefits, claims and demands of borrower under project contracts (v) Pledge of shares to the extent of 30% of the total paid up equity share capital of CASPIA held by the Holding Company. (vi) First charge over the DSRA maintained with the Rupee lender</p>
State Bank of India	177.56	256.49	291.30	<p>ECLGS 2.0 : 1% above External Benchmark Benchmark Linked Rate (EBLR) i.e. 9.25%</p> <p>ECLGS 3.0 : 1% above External Benchmark Linked Rate (EBLR) i.e. 9.25%</p> <p>ECLGS 3.0 extension : 1% above External Benchmark Benchmark Linked Rate (EBLR) i.e. 9.25%</p>	<p>Tranche 1 The working capital term loan amount of INR 111.40 is repayable in 48 monthly instalments after 12 months of moratorium from date of first disbursement i.e. 5 February 2021.</p> <p>Tranche 2 The working capital term loan amount of INR 111.40 is repayable in 48 monthly instalments after 24 months of moratorium from date of first disbursement i.e. 03 November 2021.</p> <p>Tranche 3 The working capital term loan amount of INR 68.50 is repayable in 48 monthly instalments after 24 months of moratorium from date of first disbursement i.e. 28 December 2022.</p>	<p>The working capital term loan is secured by extension of second ranking charge over existing securities provided for the Term loan mentioned above:</p> <p>(i) Second charge by the way of equitable mortgage on entire fixed assets of the project Hotel land Area & Hotel Building. (Fairfields Hotel, Coimbatore) (ii) Second charge by the way of hypothecation on the entire moveable fixed assets of the hotel (iii) Second charge on all the monies lying in the designated account, all project revenues and insurance proceeds of the hotel (iv) Second charge over all the rights, titles, benefits, claims and demands of borrower under project contracts (v) Pledge of shares to the extent of 30% of the total paid up equity share capital of CASPIA held by the Holding Company. (vi) Second charge over the DSRA maintained with the Rupee lender</p>	

The Company did not have any defaults in the repayment of loans and interest.

Information about company's exposure to interest risk and liquidity risks is included in note 36.



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17 Non-current financial liabilities - Trade payables

	As at 31 March 2024	As at 31 March 2023
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (MSME)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	3.38
	<u>-</u>	<u>3.38</u>

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36.

Trade payables Ageing Schedule
As at 31 March 2024

Particulars	Outstanding for following periods from the date of transaction					
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-

As at 31 March 2023

Particulars	Outstanding for following periods from the date of transaction					
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	3.38	-	-	-	3.38
Total	-	3.38	-	-	-	3.38

The Company does not have any disputed dues which are payable as at 31 March 2024 and 31 March 2023.

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18 Non current Provisions	As at	As at
	31 March 2024	31 March 2023
Provision for employee benefits		
Gratuity (refer note 27)	1.30	0.99
Compensated absences (refer note 27)	1.79	0.87
	<u>3.09</u>	<u>1.86</u>

19 Current financial liabilities - Borrowings (Secured)	As at	As at
	31 March 2024	31 March 2023
Overdraft facilities from banks	15.67	16.82
Current maturities of long-term borrowings (refer note 16)	90.28	264.54
	<u>105.95</u>	<u>281.36</u>

Terms of overdraft facilities from banks

The Company has availed bank overdraft facility from HDFC Bank at an interest rate of 9.50% p.a (31 March 2023 - 9.50%) (1 year MCLR plus 135bps) computed on monthly basis on the actual amount utilised, and is repayable on demand.

The security for this facility is same as term loan from HDFC Bank mentioned in Note 16.

20 Current financial liabilities - Trade payables	As at	As at
	31 March 2024	31 March 2023
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (MSME)	2.69	4.94
- total outstanding dues of creditors other than micro enterprises and small enterprises	181.55	161.20
	<u>184.24</u>	<u>166.14</u>

a) Refer Note 38 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

b) Refer Note 35 for dues to related parties

c) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36

Trade payables Ageing Schedule

As at 31 March 2024

Particulars	Outstanding for following periods from the date of transaction					Total
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	2.54	0.15	-	-	2.69
Others	16.96	126.15	21.74	5.37	11.33	181.55
Total	16.96	128.69	21.89	5.37	11.33	184.24

As at 31 March 2023

Particulars	Outstanding for following periods from the date of transaction					Total
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	4.71	0.21	0.01	0.01	4.94
Others	33.00	63.89	33.43	8.91	21.97	161.20
Total	33.00	68.60	33.64	8.92	21.98	166.14

The Company does not have any disputed dues which are payable as at 31 March 2024 and 31 March 2023.

21 Current financial liabilities - other financial liabilities	As at	As at
	31 March 2024	31 March 2023
Interest accrued on borrowings (refer note 16)	5.90	6.86
Employee related payables	7.27	7.07
Payable for capital assets	6.82	4.70
Security deposits received	0.60	-
	<u>20.59</u>	<u>18.63</u>

22 Other current liabilities	As at	As at
	31 March 2024	31 March 2023
Advance from customers	6.29	7.93
Statutory dues payable	13.54	10.50
	<u>19.83</u>	<u>18.43</u>

23 Current provisions	As at	As at
	31 March 2024	31 March 2023
Provision for employee benefits		
Gratuity (refer note 27)	0.82	0.61
Compensated absences (refer note 27)	1.08	1.30
	<u>1.90</u>	<u>1.91</u>

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24 Revenue from operations	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of services		
- Room revenue	520.41	494.02
- Food and beverage revenue	282.10	236.87
- Recreation and other services	23.40	18.74
	825.91	749.63

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms / restaurant/ banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. Excess of revenue over invoicing is recorded as unbilled revenue. Revenue recognised in the statement of profit and loss is same as the contracted price.

	As at 31 March 2024	As at 31 March 2023
Contract liabilities		
Advance from customers	6.29	7.93

The amount of revenue INR 6.96 (31 March 2023 INR 13.92) recognised in the reporting period was included in advance from customer balance at the beginning of the period.

Trade receivables	68.19	81.45
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Note: Considering the nature of business of the Company, the above trade receivables is converted into cash within the same operating cycle.

25 Other income	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from financial assets at amortised cost		
- on bank deposits	4.77	6.47
Gain on modification of financial liabilities*	-	8.55
Miscellaneous income	-	0.17
	4.77	15.19

*During the previous year, the company had agreed to deferred payment terms for the certain amount outstanding as payable in books to certain vendors. This has resulted in modification in terms of financial liability, hence a gain of INR 8.55 has been recorded.

26 Cost of materials consumed	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of food and beverages		
Inventory at the beginning of the year	2.06	1.87
Add : Purchases during the year	76.22	71.79
Inventory at the end of the year	(2.62)	(2.06)
	75.66	71.60



27 Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	131.20	106.10
Contribution to provident fund and other funds (refer 'a' below)	8.57	7.20
Compensated absences (refer 'b' below)	1.80	1.94
Staff welfare expenses	16.32	13.30
	<u>157.89</u>	<u>128.54</u>

a. Defined Contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Labour Welfare Fund and Employees' State Insurance, which are defined contribution plans. The company has no obligations other than to make the specified contributions. The contributions are charged to profit or loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund, Labour Welfare Fund and Employees' State Insurance for the year aggregated to INR 8.57 (31 March 2023 - INR 7.20) Also refer note 32.

b. Compensated absences

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	%	%
Discounting rate	7.15	7.04
Salary growth rate	5.50	5.50

c. Defined Benefit Plan

Gratuity

i) The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

ii) These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

Higher than expected increases in salary will increase the defined benefit obligation.

iii) The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the balance sheet for the said plan:

a) Expense recognised in Statement of Profit and Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	0.37	0.27
Interest cost	0.11	0.10
Total expenses recognised in the Statement of profit and loss	<u>0.48</u>	<u>0.37</u>



b) Remeasurements recognized directly in other comprehensive income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Net actuarial (gain)/loss recognized in the year		
- changes in demographic assumptions	(0.02)	(0.04)
- changes in financial assumptions	(0.01)	(0.07)
- changes in experience adjustments	0.14	0.34
Amount recognized in other comprehensive income	0.11	0.23

c) Change in present value of benefit obligation

	For the year ended 31 March 2024	For the year ended 31 March 2023
Particulars		
Present value of obligation as at the beginning of the year	1.60	1.91
Current service cost	0.37	0.28
Interest cost	0.11	0.10
Actuarial (gain)/loss on obligations	0.11	0.23
Benefits paid	(0.07)	(0.92)
Present value of obligation as at the end of the year	2.12	1.60

d) Amounts recognized in Balance sheet

	As at 31 March 2024	As at 31 March 2023
Particulars		
Present value of the defined benefit obligation at the end of the year	2.12	1.60
Fair value of plan assets at the end of the year	-	-
Net liability recognized in the Balance Sheet	2.12	1.60
Non-current	1.30	0.99
Current	0.82	0.61

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

	As at 31 March 2024	As at 31 March 2023
Particulars		
Discounting rate (p.a.)	7.15	7.04
Salary growth rate (p.a.)	5.50	5.50

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

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

	As at 31 March 2024	As at 31 March 2023
Demographic assumptions		
Retirement Age (years)	58	58
Mortality Table	IALM (2012-2014) ultimate table	IALM (2012-2014) ultimate table
Withdrawal Rate	%	%
Ages		
Up to 30 Years	56/63/69	56/63/69
From 31 to 44 years	56/63/69	56/63/69
Above 44 years	56/63/69	56/63/69

f) The Company best estimate of expense for the next year is INR 0.49 (31 March 2023 - INR 0.37)

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g) Sensitivity analysis

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

	31 March 2024		31 March 2023	
	Increase *	Decrease *	Increase *	Decrease *
Discount rate (0.5% movement)	(0.02)	0.02	(0.01)	0.01
Future salary growth (0.5% movement)	0.02	(0.02)	0.01	(0.01)

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

* Positive amount represents increase in provision

* Negative amount represents decrease in provision

Sensitivity changes due to withdrawal and mortality are not material and hence not disclosed.

There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

h) Maturity profile of defined benefit obligation

Year	As at	
	31 March 2024	31 March 2023
0-1 year	0.82	0.62
1-2 year	0.59	0.49
2-3 year	0.28	0.22
3-4 year	0.13	0.10
4-5 year	0.06	0.05
5-6 year	0.02	0.02
More than 6 year	0.22	0.10
	<u>2.12</u>	<u>1.60</u>

i) The weighted-average duration of the defined benefit obligation as at 31 March 2024 is 1.17 years (31 March 2023: 1.31 years).

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28 Finance costs	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities carried at amortised cost		
- Term loans and overdraft *	246.66	277.73
- Others	2.80	5.64
Other finance costs	4.11	2.75
	<u>253.57</u>	<u>286.12</u>
*Net of interest income on fixed deposits of INR 1.63 (31 March 2023 - INR 0.83)		
29 Depreciation and amortisation expense	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment	92.56	99.13
Amortisation of other intangible assets	1.87	3.18
	<u>94.43</u>	<u>102.31</u>
30 Other expenses	For the year ended 31 March 2024	For the year ended 31 March 2023
Repair and maintenance		
- Building	11.33	12.03
- Machinery	8.59	20.65
- Others	19.74	11.92
Advertisement and business promotion	29.81	24.61
Commission	17.34	20.52
Communication expenses	4.25	4.26
Consumption of stores and supplies	30.39	40.81
Contractual labour	23.84	22.43
General administration expenses	6.32	5.03
Hotel running expenses	3.69	3.83
Insurance	6.41	3.01
Legal and professional charges	102.44	48.20
Loss on foreign exchange fluctuation (net)	2.39	11.14
Management and incentive fees	25.88	29.33
Payment to auditors*	1.91	1.47
Power, fuel and water	90.66	86.47
Loss allowance for trade receivables	3.53	4.61
Rates and taxes	21.80	19.67
Rent expenses	0.06	0.06
Training expenses	2.86	2.46
Travelling and conveyance expenses	16.47	13.72
Miscellaneous expenses	2.18	1.53
	<u>431.89</u>	<u>387.76</u>
*Payment to auditors comprises		
As Auditor		
Statutory audit	1.50	1.32
Reimbursement of expenses	0.31	0.13
Other services	0.10	0.02
	<u>1.91</u>	<u>1.47</u>
31 Earnings per share (EPS)	For the year ended 31 March 2024	For the year ended 31 March 2023
Net loss attributable to equity shareholders	(182.76)	(211.51)
Weighted average number of equity shares for calculation of basic EPS	18,000,000	18,000,000
Weighted average number of equity shares for calculation of diluted EPS	18,000,000	18,000,000
Nominal value of equity share (INR)	10	10
Basic earnings/(loss) per share (INR)	(10.15)	(11.75)
Diluted earnings/(loss) per share (INR)	(10.15)	(11.75)

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32 Contingent liabilities and commitments

(to the extent not provided for)

Contingent liabilities

Particulars	As at 31 March 2024		As at 31 March 2023	
	Total demand	Amount paid under protest	Total demand	Amount paid under protest
Income Tax Act, 1961	22.99	4.99	22.99	4.99

(a) The Company had received an assessment order for financial year 2015-16 whereby an addition of INR 21.36 had been made to the total income of the Company. The addition has been made on account of unexplained sundry creditors and interest on delay in deposit of statutory dues. The Company had deposited INR 4.50 against total demand of INR 9.17 and has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal.

(b) The Company had received an assessment order for financial year 2016-17 whereby an addition of INR 9.52 had been made to the total income of the Company. The addition has been made on account of staff welfare expenses, advertisement and business promotion expenses and other unexplained expenses which could not be substantiated under Section 69 C of the Income Tax Act, 1961. The Company had deposited INR 0.49 against total demand of INR 2.46 and has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal.

(c) The Company had received an assessment order for financial year 2017-18 whereby an addition of INR 18.39 has been made to the total income of the Company and has raised a demand of INR 11.36. The addition has been made on account of unexplained expenditure under Section 69C of the Income Tax Act, 1961. The Company has filed an appeal before the Commissioner of Income Tax (Appeals) against the said addition which is pending for disposal.

(d) In February 2019, Supreme Court of India in its judgment clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. For the period 1 March 2019 to 31 March 2019, the Company has made a provision for provident fund contribution in the books of accounts amounting to INR 0.34.

33 Operating Segments

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

A. Information about products and services

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

B. Information about geographical areas

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



34 Lease disclosures

The Company has taken office premises under cancellable operating lease agreement. The total lease rental recognised as an expense during the year under the lease agreement amounts to INR 0.06 (31 March 2023 - INR 0.06)

35 Related party disclosures

(a) Name of related parties

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

Nature of relationship	Name of related party
Holding Company	SAMHI Hotels Limited

Other related parties with whom transactions have taken place:

Nature of relationship	Name of related party
Fellow Subsidiary	SAMHI Hotels (Ahmedabad) Private Limited
Fellow Subsidiary	Argon Hotels Private limited
Fellow Subsidiary	SAMHI JV Business Hotels Private Limited
Fellow Subsidiary	SAMHI Hotels (Gurgaon) Private Limited

(b) Related party transactions during the year:

Particulars	Holding Company		Fellow subsidiaries	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Other equity				
Loan received from Holding Company (Directly recognised in Other Equity)	780.70	-	-	-
Reimbursement of expenses (net)				
SAMHI Hotels (Ahmedabad) Private Limited	-	-	5.21	4.53
Argon Hotels Private limited	-	-	0.02	0.02
SAMHI Hotels Limited	-	0.06	-	-
SAMHI JV Business Hotels Private Limited	-	-	7.87	7.75
Legal and professional expense				
SAMHI Hotels Limited	70.74	22.26	-	-

In addition to transactions above,

- the Holding Company has provided undertaking on behalf of the Company in respect of term loan obtained from banks (Refer note -16)
- there is a pledge over shares held and owned by the holding company for the borrowings obtained from banks.

(c) Related party balances as at the year end

Particulars	Holding Company		Fellow subsidiaries	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Equity component of Interest free loans (net of tax)				
SAMHI Hotels Limited	3,277.64	2,496.94	-	-
Trade payables (reimbursement of expenses)				
SAMHI Hotels (Ahmedabad) Private Limited	-	-	0.08	0.14
Argon Hotels Private limited	-	-	0.03	-
SAMHI Hotels Limited	65.79	-	-	-
SAMHI JV Business Hotels Private Limited	-	-	-	0.53
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	0.01
Trade receivables				
SAMHI Hotels Limited	0.03	0.07	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	0.18
SAMHI JV Business Hotels Private Limited	-	-	0.32	-
Other current assets (other advances)				
SAMHI Hotels Limited	-	14.46	-	-

Outstanding balances with related parties at the year-end are unsecured and settlement occurs in cash.

For the year ended 31 March 2024 and 31 March 2023 the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

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36 Financial instruments - Fair values and risk management

A) Financial instruments by category and fair value

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

	31 March 2024			
	Level of Hierarchy	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets				
Other non-current financial assets		-	-	101.12
Trade receivables		-	-	68.19
Cash and cash equivalents		-	-	64.02
Other bank balances		-	-	-
Other current financial assets		-	-	3.52
Total financial assets		-	-	236.85
Financial liabilities				
Non-current borrowings	2	-	-	1,836.52
Non-current trade payables		-	-	-
Current borrowings	2	-	-	105.95
Current trade payables		-	-	184.24
Other current financial liabilities		-	-	20.59
Total financial liabilities		-	-	2,147.30

Particulars	31 March 2023			
	Level of Hierarchy	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets				
Other non-current financial assets		-	-	60.47
Trade receivables		-	-	81.45
Cash and cash equivalents		-	-	94.27
Other bank balances		-	-	-
Other current financial assets		-	-	1.94
Total financial assets		-	-	238.13
Financial liabilities				
Non-current borrowings	2	-	-	2,364.63
Non-current trade Payables		-	-	3.38
Current borrowings	2	-	-	281.36
Current trade payables		-	-	166.14
Other current financial liabilities		-	-	18.63
Total financial liabilities		-	-	2,834.13

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

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

Fair value of bank deposits (included in other non-current financial assets) are equivalent to their carrying amount, as the interest rate on them is equivalent to

Fair valuation of other non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value

B) Measurement of fair values

There are no transfer between Level 1, Level 2 and Level 3 during the year.



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

The Holding Company's Chief Financial Officer under the directions of the board of directors implements financial risk management policies across the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, to monitor risks and adherence to limits in order to minimize the financial impact of such risks. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

i. Credit risk

Credit risk is the risk of financial loss to the Group 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.

The Company policy is to place cash and cash equivalents and other bank balances with banks and financial institution counterparties with good credit rating.

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

In respect of credit exposures from trade receivables, the Company has policies in place to ensure that sales on credit without collateral are made principally to travel agents and corporate companies with an appropriate credit history. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sales to other customers are made in cash or by credit cards.

There are no significant concentrations of credit risk within the Company.

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

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

- the debtor is unlikely to pay its credit obligations to the Company in full; or
- the financial asset is more than two years past due.

The provision matrix used for determining loss allowance on trade receivables as at 31 March 2024 is Less than 6 months: 3.49%, 6 months - 1 year: 32.77%, 1 - 2 years: 47.44% - 95.84%, More than 2 years: 100%.

Reconciliation of loss allowance provision

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	9.77	5.16
Provision made during the year	3.53	4.61
Closing balance	13.30	9.77

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

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company 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, without incurring unacceptable losses or risking damage to Company reputation.

Management monitors rolling forecasts of the Company liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt refinancing plans, undrawn committed borrowing facilities and covenant compliance.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium term and long-term funding and liquidity management requirements.



(a) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude future contractual interest payments.

31 March 2024	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	1,836.52	1,842.12	-	310.34	907.39	624.39
Current borrowings	105.95	105.95	105.95	-	-	-
Current trade payables	184.24	184.24	184.24	-	-	-
Other current financial liabilities	20.59	20.59	20.59	-	-	-
	2,147.30	2,152.90	310.78	310.34	907.39	624.39

31 March 2023	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	2,364.63	2,372.45	-	358.46	1,038.14	975.85
Non-current trade payables	3.38	3.41	-	3.41	-	-
Current borrowings	281.36	281.36	281.36	-	-	-
Current trade payables	166.14	166.14	166.14	-	-	-
Other current financial liabilities	18.63	18.63	18.63	-	-	-
	2,834.14	2,841.99	466.13	361.87	1,038.14	975.85

Also, refer note 40 for disclosures on Going Concern assumption.

(b) Financing arrangements

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

	As at 31 March 2024	As at 31 March 2023
Floating rate		
Expiring within one year (bank overdraft)	4.33	3.18
Expiring beyond one year (term loan from banks)	-	169.00
	4.33	172.18

iii. Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates and interest rates, that will affect the Company expense or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk for the Company is the risk that the future cash outflows on account of payables for management fees and other expenditure will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies. The Management evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

Exposure to currency risk

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

31 March 2024	Currency	Amount in foreign currency (in millions)	Amount in INR
Trade payables	USD	0.87	72.55

31 March 2023	Currency	Amount in foreign currency (in millions)	Amount in INR
Trade payables	USD	1.04	85.38



Sensitivity analysis

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

Effect in INR	(Profit) / loss		Equity, net of tax (increase) / decrease	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
1% movement				
USD	0.73	(0.73)	0.73	(0.73)
	0.73	(0.73)	0.73	(0.73)

Effect in INR	(Profit) / loss		Equity, net of tax (increase) / decrease	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
1% movement				
USD	0.85	(0.85)	0.85	(0.85)
	0.85	(0.85)	0.85	(0.85)

Interest rate risk

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

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

Exposure to interest rate risk

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

	Carrying amount	
	31 March 2024	31 March 2023
Fixed-rate instruments		
Financial assets - bank deposits	90.46	51.60
	90.46	51.60
Variable-rate instruments		
Financial liabilities - Term loans from banks	1,932.70	2,636.03
Financial liabilities - Overdraft facilities from banks	15.67	16.82
	1,948.37	2,652.85
Total	2,038.83	2,704.45

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. Refer note 36A for fair value disclosure.

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Cash flow sensitivity analysis for variable-rate instruments

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

	(Profit) / loss		Equity, net of tax (increase) / decrease	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2024				
Financial liabilities	23.27	(23.27)	23.27	(23.27)
Cash flow sensitivity (net)	<u>23.27</u>	<u>(23.27)</u>	<u>23.27</u>	<u>(23.27)</u>
31 March 2023				
Financial liabilities	27.09	(27.09)	27.09	(27.09)
Cash flow sensitivity (net)	<u>27.09</u>	<u>(27.09)</u>	<u>27.09</u>	<u>(27.09)</u>

37 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 company level.

The Company is not subject to externally imposed capital requirements.

As a part of its capital management policy, the Company did not have any continuing defaults in the repayment of loans and interest. There have been no material loan covenant defaults and there has been no intimation from the banks/ financial institutions for recalling any loan facility. The Company has sought and received waiver letters from its lenders, wherever applicable as at and for the year ended 31 March 2024.

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CASPIA Hotels Private Limited

CIN: U55209MH2005PTC155010

Notes to the financial statements for the year ended 31 March 2024

(All amounts in Rupees millions, unless otherwise stated)

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

	As at 31 March 2024	As at 31 March 2023
Dues to micro and small enterprises		
The amounts remaining unpaid to micro and small enterprises as at the end of the year:		
Principal	2.45	4.79
Interest	0.05	0.04
The amounts of the payments made to micro and small enterprises beyond the appointed day during each accounting year.	-	-
The amount of interest paid under the act beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	0.19	0.11
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	0.24	0.15
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 2024 and 31 March 2023 has been made in the financial statements based on information received and available with the Company.

39 During the current year, SAMHI Hotels Limited (the Holding Company) has charged INR 70.74 (31 March 2023 - INR 22.26) for core business advisory, procurement and other support services. The same is booked as legal and professional expense under the head 'other expenses'.

40 Going concern

The Company has incurred a net loss of INR 182.76 million during the year ended 31 March 2024 and as of that date, the Company's current liabilities has exceeded its current assets by INR 177.08 million. As at and for the year ended 31 March 2024, the Company is in non-compliance with certain financial covenants prescribed under the loan agreement for which it has sought and received waiver letters subsequent to the year end (also refer note 16).

Based on future business projections, the Company expects growth in its operations and improved operating performance in coming periods and also expects to earn enhanced cash inflows from its operating activities. Further, based on the past experience and improved financial position of the Company, the management is confident of complying with the financial covenants in subsequent years. The Company believes such anticipated internally generated funds from operations in future along with available undrawn credit facility will enable it to meet its future known obligations due in next year, in the ordinary course of business. However, if a liquidity need were to arise, the Company has access to requisite financial and operational support from SAMHI Hotels Limited (holding company), which should enable it to meet its ongoing capital, operating, and other liquidity requirements.

In view of the above, the Management and Board of Directors of the Company have prepared these financial statements on a going concern basis.

41 Recent Pronouncements issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at 31 March 2024, MCA has not notified any new standards or amendments to the accounting standards which are effective from 1 April 2024.

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42 Ratio Analysis and its elements

Ratio	in times/%	Numerator	Denominator	31 March 2024	31 March 2023	Increase/ decrease %
(a) Current Ratio	in times	Current Assets	Current Liabilities	0.47	0.46	1%
(b) Debt-Equity Ratio	in times	Total Borrowings	Total equity	1.82	5.65	-68%
(c) Debt Service Coverage Ratio	in times	Profit before finance cost, depreciation, amortisation and tax	Interest Payments + Principal Repayments	0.15	0.36	-59%
(d) Return on Equity Ratio	in %	Loss for the year	Average Total equity	-23.81%	-36.81%	-35%
(e) Inventory turnover ratio	in times	Cost of goods sold	Average Inventory	NA	NA	NA
(f) Trade Receivables turnover ratio	in times	Revenue from operations	Average Trade Receivables	11.04	13.83	-20%
(g) Trade payables turnover ratio	in times	Cost of materials consumed + Other expenses	Average Trade Payables	2.87	2.79	3%
(h) Net capital turnover ratio	in times	Revenue from operations	Average Current assets - Average Current liabilities	(3.77)	(13.06)	-71%
(i) Net profit ratio	in %	Loss for the year	Revenue from operations	-22.13%	-28.22%	-22%
(j) Return on Capital employed	in %	Loss before finance costs and taxes	Tangible Net Worth + Total Borrowings	2.36%	2.40%	-2%
(k) Return on investment	in %	Interest (Finance Income)	Investment	NA	NA	NA

Explanations to variance in Ratios:

Debt-Equity Ratio	Ratio has improved on account of prepayment of debt and increase in equity on account of money infused by the holding company
Debt Service Coverage Ratio	Ratio has decreased due to prepayment of borrowings during the year
Return on Equity Ratio	Return on equity ratio has improved on account equity infused by holding company
Net capital turnover ratio	Improved due to increase in revenue during the year and better working capital position during the year

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

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

43 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii) The Company do not have any transactions with companies struck off.
(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(vii) The Company does not have 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
(viii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment
(ix) The Company has used the borrowings from banks for the specific purpose for which it was taken.
(x) The Company has not been declared a willful defaulter by any bank or other lender (as defined under the Companies Act, 2013), in accordance with the guidelines on willful defaulters
(xi) The Company has complied with number of layers prescribed under the Companies Act, 2013.
(xii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
(xiii) The Company has not revalued its property, plant and equipment or other intangible assets or both during the current or previous year.
(xiv) The Company is not required to submit quarterly returns or statements with banks during the current or previous year

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44 Impairment of assets

Impairment testing for cash-generating units

In accordance with Ind AS 36 "Impairment of Assets", the Company had identified individual hotels (consisting of property, plant and equipment and other intangible assets) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a comparison between carrying value of assets in books and the recoverable value. Recoverable value is considered as higher of fair value less costs of disposal and value in use.

Recoverable amount is value in use of the hotel and is based on discounted cash flow method which was classified as a level 3 fair value in the fair value hierarchy due to the inclusion of one or more unobservable inputs. There has been no change in the valuation technique as compared to previous years.

Based on the results of impairment testing for the CGUs, impairment loss recognised in books in respect to the carrying value of Property, Plant and Equipments, and Other Intangible Assets is as follows:

Cash Generating Unit	As at 1 April 2022	Impairment loss/ (Reversal)	As at 31 March 2023	Impairment loss/ (Reversal)	As at 31 March 2024
Renaissance - Ahmedabad, SG Highway	159.44	-	159.44	-	159.44
Four Points by Sheraton - Vizag, City Center	165.56	-	165.56	-	165.56
Fairfield by Marriott - Coimbatore, Airport	44.96	-	44.96	-	44.96
	369.96	-	369.96	-	369.96

Based on the impairment analysis carried out by the management, no further impairment loss is required to be recorded in the financial statements.

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

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

Assumptions

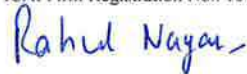
	As at 31 March 2024	As at 31 March 2023
Discount rate Pre tax / Post Tax	13.20% / 13.00%	12.34% / 12.15%
Average Room Revenue (ARR) growth rate	7% to 19%	7% to 24%
Terminal Value EBITDA multiple	16.67 times	14.00 times
Occupancy rate	71% to 77%	72% - 81%

Based on the impairment testing performed, the management believes that any reasonably possible change in the key assumptions would not cause the recoverable amount to be lower than carrying amount of the CGU.

45 The Company has foreign currency payables of INR 34.55 million towards management and license fee and incentives etc. which are outstanding for more than one year as on 31 March 2024. As per Foreign Exchange Management Act, 1999 and the applicable rules/regulations, in case of any foreign currency dues which are not remitted within the prescribed time, approval from Reserve Bank of India (RBI) is required. In view of the management, the Company was unable to clear these dues within the time stipulated under law due to financial difficulties encountered by the Hotel Industry on account of COVID-19. Subsequent to March 2022, the Hotel Industry has witnessed significant improvement in its cash flows and the Company has settled significant portion of its outstanding dues in the current year and intends to settle the balance dues in the near future. The Company is of the view that it will be in a position to get the necessary approvals from RBI/ Authorised Dealer (AD) banker, if any, and will not result in imposition of any penalty which will be material to these financial statements.

As per our report of even date attached

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



Rahul Nayar
 Partner
 Membership No.: 508605

Place: Gurugram
 Date: 29 May 2024

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



Gyana Das
 Director
 DIN: 03563467

Place: Gurugram
 Date: 29 May 2024



Rajat Mehra
 Director
 DIN: 06813081

Place: Gurugram
 Date: 29 May 2024



Hima Goel
 Company Secretary
 Membership No.: A40688

Place: Gurugram
 Date: 29 May 2024

CASPIA

Quality Checks :	Completed
Spelling / diction / comparison	<input checked="" type="checkbox"/>
Indexing / pagination / paras	<input checked="" type="checkbox"/>
Calculation / arithmetical accuracy/ rounding off errors	<input checked="" type="checkbox"/>
Done by :	
Name and Designation.....	Peeyush Jindal and manager
Signature and Date.....	Peeyush and 29 May 2024
Engagement Partner.....	Rakesh Nayar
Project Code.....	1653027