NANGIA & CO LLP
CHARTERED ACCOUNTANTS

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# INDEPENDENT AUDITOR'S REPORT

**To The Members of Berggruen Hotels Private Limited**

**Report on the Audit of the Ind AS Financial Statements**

## Opinion

We have audited the accompanying standalone financial statements of Berggruen Hotels Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss including Other Comprehensive Income, statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Emphasis of Matter

We draw out your attention to note 36 of the Ind AS financial statements which sets out Company's assessment of Going concern assumption and financial impact on account of COVID 19 pandemic situation. Based on these assessments, the management has concluded that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2021.

Our opinion is not modified in respect of this matter.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) 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 financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's Report, Chairman's statement, but does not include the standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Responsibilities of management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 standalone 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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.

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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. As required by Section 143(3) of the Act, we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement (and statement of changes in equity) dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, with read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   g) The provisions of section 197 read with Schedule V of the Act are applicable to the Company for the year ended March 31, 2021;

   h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements;

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

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

**For Nangia & Co. LLP**
**Chartered Accountants**
**ICAI FRN 002391C/N500069**

Prateek Agrawal

**Prateek Agrawal**
Partner
Membership No. 402826

Signed at New Delhi on June 14, 2021
UDIN: 21402826AAAAII2600

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**Annexure 'A' to the Independent Auditors Report**
[Refer to in our separate report of even date]

Annexure referred to under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of Berggruen Hotels Private Limited on the financial statements for the year ended on March 31, 2021 and based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

I (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of the assets. As informed to us no material discrepancies were noticed in such physical verification.

(c) Title deeds in respect of all immovable properties are held in the name of the company.

II As explained to us physical verification has been conducted by the management at reasonable interval in respect of inventories of finished goods, stores, spares parts and raw material. In our opinion, the frequency of such verification is reasonable. We were explained that no material discrepancies have been noticed on physical verification.

III According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3(iii)(a) to 3(iii) (c) of the Order are not applicable to the Company.

IV According to the information and explanations given to us, the Company has not given any loan to Directors or persons connected with them as per the provisions mentioned in section 185 of the Companies Act, 2013.

According to the information and explanations given to us, the Company has not made any investments, loans, guarantees and securities to any person or other bodies corporates as per the provisions mentioned in section 186 of the Companies Act, 2013.

V According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there-under. Therefore, the provisions of para 3(v) of the Order are not applicable to the Company.

VI In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 for the services provided by the company.

VII a) According to the information and explanations given to us, the company is regular in depositing and based on our examination of the records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Goods & Service tax, Sales Tax, Value added tax, Employee's State Insurance, duty of excise, duty of customs, Cess and other material statutory dues, have been generally regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Provident fund, Goods & Service tax, Sales Tax, Value added tax, Employee's State Insurance, duty of excise, duty of customs, Cess and other material statutory dues, were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no amounts in respect of Income Tax, Goods & Service tax, Sales tax, Value added tax, Employee's State Insurance, duty of excise, duty of Customs, Cess and Service Tax etc. that have not been deposited with the appropriate authorities on account of any dispute.

VIII In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings from any financial institution or bank or Government or dues to debenture holders.

IX According to the information and explanations given to us, term loans obtained during the year applied for the purpose for which the loans were obtained by the company. The company has not raised any money during the year by way of initial or further public offer

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X According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

XI According to information and explanation given to us, the company has paid any managerial remuneration during the year in accordance with the provision of section 197 read with schedule V of the Companies Act,2013.

XII As explained, the Company is not a Nidhi company. Therefore, the provisions of para 3(xii) of the Order are not applicable to the Company.

XIII According to the information and explanations given to us, we are of the opinion that all related party transaction are in compliance with Section188 and Section 177 of the Companies Act 2013 is not applicable. Necessary disclosure have been made in the financial statements as required by the applicable accounting standards.

XIV According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of para 3(xiv) of the Order are not applicable to the Company.

XV According to the information and explanations given to us, no non-cash transactions with Directors or persons connected with him have been noticed or reported during the year as per the provisions of Section 192 of Companies Act, 2013.

XVI The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of para 3(xvi) of the Order are not applicable to the Company.

**For Nangia & Co. LLP**
**Chartered Accountants**
**ICAI FRN 002391C/N500069**

Prateek Agrawal

**Prateek Agrawal**
Partner,
Membership No. 402826
Signed at New Delhi on June 14, 2021
UDIN: 21402826AAAAII2600

**Annexure 'B' to the Independent Auditors Report**
[Refer to in our separate report of even date]

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Berggruen Hotels Private Limited ("the Company")** as of March 31, 2021 in conjunction with our audit of financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 the 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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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.

**For Nangia & Co. LLP**
**Chartered Accountants**
**ICAI FRN 002391C/N500069**

Prateek Agrawal

**Prateek Agrawal**
Partner,
Membership No. 402826
Signed at New Delhi on June 14, 2021
UDIN: 21402826AAAAII2600

**Berggruen Hotels Pvt Ltd**

**Balance Sheet as at March 31, 2021**

| Particulars | Note No | As at March 31, 2021 Rs in lakhs | As at March 31, 2020 Rs in lakhs |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 3A | 46,643.45 | 48,201.56 |
| Intangibles | 4 | 0.57 | 1.45 |
| Capital Work-In-Progress | 3B | 2.77 | 2.77 |
| Financial Assets | | | |
| (i) Loans | 5 | 666.75 | 695.17 |
| (ii) Bank Balances other than Cash and Cash Equivalents | 11 | 373.04 | 388.74 |
| (iii) Other Financial Assets | 12 | 202.08 | 230.17 |
| Other Non-Current Assets | 7 | 266.19 | 261.46 |
| Non-Current tax Assets (net) | 8 | 219.82 | 633.23 |
| **Total Non-Current Assets** | | **48,374.67** | **50,414.55** |
| **Current assets** | | | |
| Inventories | 6 | 48.66 | 67.10 |
| Financial Assets | | | |
| (i) Loans | 5 | 8.22 | 9.23 |
| (ii) Trade Receivables | 9 | 350.28 | 2,594.91 |
| (iii) Cash and Cash Equivalents | 10 | 626.97 | 643.28 |
| (iv) Other Financial Assets | 12 | 28.24 | 38.61 |
| Other Current Assets | 13 | 102.95 | 59.78 |
| **Total Current Assets** | | **1,165.32** | **3,417.91** |
| **TOTAL ASSETS** | | **49,539.99** | **53,832.46** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 14 | 5,455.16 | 5,455.16 |
| Other Equity | 14A | 27,695.94 | 28,430.83 |
| **Total equity** | | **33,151.10** | **33,885.99** |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 16 | 6,158.63 | 10,388.29 |
| Other Non Current liabilities | | | |
| Long term Provisions | 15 | 437.40 | 1,024.32 |
| **Total Non-Current Liabilities** | | **6,596.03** | **11,412.61** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 16 | 5,147.22 | 1,372.85 |
| (ii) Trade Payables | | | |
| - Total outstanding dues of micro, small and medium enterprises and | 17 | 7.15 | - |
| - Total outstanding dues of creditors other than micro, small and medium enterprises | | 959.06 | 748.49 |
| Other Financial Liabilities | 18 | 3,045.99 | 3,546.22 |
| Other Current Liabilities | 19 | 230.01 | 611.43 |
| Deferred Tax Liabilities (net) | 20 | 190.17 | 2,044.23 |
| Short term provisions | 15 | 210.26 | 210.54 |
| **Total Current Liabilities** | | **9,792.86** | **8,533.86** |
| **TOTAL EQUITY AND LIABILITIES** | | **49,539.99** | **53,832.46** |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For Nangia & Co. LLP**
**Chartered Accountants**
**ICAI FRN 002391C/N500069**

Prateek Agrawal

**Prateek Agrawal**
Partner
Membership No. 402826

**For and on behalf of the Board of Directors of Berggruen Hotels Pvt Ltd**

**Jagdish Kumar Chawla**
Director
DIN 00003022

**Anshu Sarin**
Whole Time Director and CEO
DIN 07101558

**Anith Arora**
Chief Financial Officer

**Sonali Manchanda**
Company Secretary

Date: 14th June, 2021
Place: New Delhi

Date: 14th June 2021
Place: New Delhi

**Berggruen Hotels Pvt Ltd**

Statement of Profit and loss account for the period ended March 31, 2021

| Particulars | Note No | For the period ended March 31, 2021 Rs in lakhs | For the year ended March 31, 2020 Rs in lakhs |
|---|---|---|---|
| Revenue from operations | 21 | 2,433.90 | 8,069.03 |
| Other income | 22 | 247.26 | 2,194.96 |
| **Total income (I)** | | 2,681.16 | 10,263.99 |
| **Expenses** | | | |
| Cost of food and beverages consumed | 23 | 633.43 | 1,788.30 |
| Employee benefit expenses | 24 | 827.49 | 2,784.05 |
| Depreciation expense | 25 | 1,513.07 | 1,418.78 |
| Finance Cost | 26 | 1,451.59 | 2,033.28 |
| Other expenses | 27 | 815.90 | 4,892.00 |
| **Total expenses (ii)** | | 5,241.48 | 12,916.41 |
| **Loss before tax** | | (2,560.32) | (2,652.42) |
| Tax Expenses | | | |
| Current Tax | | | |
| Deferred Tax (Credit) | 20 | (1,854.05) | (378.10) |
| **Total Tax Expense** | | (1,854.05) | (378.10) |
| **Loss for the year** | | (706.27) | (2,274.32) |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to Profit and Loss in subsequent periods | | | |
| - Re-measurement (losses) on defined benefit plans | | (28.63) | (93.78) |
| **Other Comprehensive Income for the year** | | (28.63) | (93.78) |
| **Total Comprehensive Income for the year net of tax** | | (734.90) | (2,368.10) |
| Attributable to | | | |
| Basic | 28 | (1.29) | (4.23) |
| Diluted | 28 | (1.29) | (4.23) |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For Nangia & Co. LLP**
**Chartered Accountants**
**ICAI FRN 002391C/N500069**

**Prateek Agrawal**
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Membership No : 402826

**For and on behalf of the Board of Directors of Berggruen Hotels Pvt Ltd**

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Whole Time Director and CEO
DIN: 07101558

**Anish Arora**
Chief Financial Officer

**Sonali Manchanda**
Company Secretary

Date: 14th June 2021
Place: New Delhi

Date: 14th June 2021
Place: New Delhi

Berggruen Hotels Pvt Ltd

Statement of changes in equity as at March 31, 2021

A. Equity Share Capital

| Equity shares of INR 10 each issued, subscribed and fully paid | Class A | | Class B | | Total | |
|---|---|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| **At April 1, 2018** | 503.45 | 5,034.48 | 23.23 | 232.33 | 526.68 | 5,266.81 |
| Issue of equity share capital | 14.63 | 146.39 | - | - | 14.63 | 146.29 |
| **At March 31, 2019** | 518.08 | 5,180.77 | 23.23 | 232.33 | 541.31 | 5,413.10 |
| Conversion of CCD | 38.43 | 384.30 | - | - | 38.43 | 384.30 |
| Shares Buy back | (17.20) | (172.00) | (17.02) | (170.24) | (34.22) | (342.24) |
| Conversion of Class B to Class A | 6.21 | 62.09 | (6.21) | (62.09) | - | - |
| **At March 31, 2020** | 545.52 | 5,455.16 | - | (0.00) | 545.52 | 5,455.16 |
| Issue of equity share capital | - | - | - | - | - | - |
| **At March 31, 2021** | 545.52 | 5,455.16 | - | - | - | - |

B. Other Equity

| | Reserve & Surplus | | | Total reserve & Surplus |
|---|---|---|---|---|
| | Securities Premium | Capital redemption Reserve | Retained Earnings | |
| **Balance as at March 31, 2019** | 38,519.98 | - | (9,640.43) | 28,879.54 |
| Net Movement during the year | 1,577.15 | 342.24 | - | 1,919.39 |
| Profits for the period | - | - | (2,274.32) | (2,274.32) |
| **Other comprehensive income (net of tax)** | - | - | (93.78) | (93.78) |
| **Balance as at March 31, 2020** | 40,097.13 | 342.24 | (12,008.53) | 28,430.84 |
| Profits for the period | - | - | (706.27) | (706.27) |
| **Other comprehensive income (net of tax)** | - | - | (28.63) | (28.63) |
| **Balance as at March 31, 2021** | 40,097.13 | 342.24 | (12,743.43) | 27,695.94 |

Summary of significant accounting policies 2

As per our report of even date

**For Nangia & Co. LLP**
**Chartered Accountants**
**ICAI FRN 002391C/N500069**

Prateek Agrawal

**Prateek Agrawal**
Partner
Membership No. 402826

Date: 14th June, 2021
Place: New Delhi

**For and on behalf of the Board of Directors of Berggruen Hotels Pvt Ltd**

**Jagdip Kumar Chawla**
Director
DIN 00003022

**Anshu Sarin**
Whole Time Director and CEO
DIN 07101558

**Anish Arora**
Chief Financial Officer

**Sonali Manchanda**
Company Secretary

Date: 14th June, 2021
Place: New Delhi

**Berggruen Hotels Private Limited**
**Cash flow statement for the year ended March 31, 2021**

| | | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| A. | **Cash flow from operating activities** | | |
| | **Loss before tax** | (2,560.32) | (2,652.42) |
| | Non-cash adjustments to reconcile loss before tax to net cash flows | | |
| | Depreciation and amortisation expenses | 1,513.07 | 1,418.78 |
| | Interest income | (119.49) | (180.59) |
| | Interest Costs | 1,448.75 | 2,012.66 |
| | Waiver of Lease rent | (107.76) | - |
| | Provision for gratuity | 16.39 | (103.98) |
| | Provision for leave encashment | 9.24 | (75.65) |
| | Security deposits/CWIP written off | - | 429.18 |
| | Provision for doubtful debts | - | 1,146.78 |
| | Provision for EPCG | - | 937.07 |
| | Provision for STP | - | 235.00 |
| | **Operating profit before working capital changes:** | 199.88 | 3,166.87 |
| | Movements in working capital: | | |
| | Movement in financial assets and current assets | 2,175.98 | (2,393.16) |
| | Movement in inventories | 18.44 | 4.55 |
| | Movement in financial liabilities and provisions | (1,403.66) | 599.78 |
| | **Cash Generated from Operations** | 990.64 | 1,378.04 |
| | Direct taxes paid (net of refunds) | 413.40 | (265.31) |
| | **Net cash flow from operating activities (A)** | 1,404.04 | 1,112.73 |
| B. | **Cash flows used in investing activities** | | |
| | Purchase of Property, plant and equipment | (5.17) | (34.04) |
| | Proceeds from sale of Property, plant and equipment | 51.00 | 1,175.00 |
| | (Increase) / decrease in other bank balances | 15.70 | 160.75 |
| | Loans received back/granted | 29.43 | 2,891.83 |
| | Interest received | 178.71 | 3,013.76 |
| | **Net Cash flow used in investing activities (B)** | 269.76 | 7,207.30 |
| C | **Cash flows from financing activities** | | |
| | Repayment on account of Buy back of shares | - | (1,833.65) |
| | Repayment of long term borrowings | (455.29) | (3,115.14) |
| | Interest paid | (1,239.82) | (3,821.37) |
| | **Net Cash from financing activities (C)** | (1,695.11) | (8,770.16) |
| | **Net increase/(decrease) in cash and cash equivalents (A + B + C)** | (21.31) | (450.13) |
| | Cash and cash equivalents at the begining of the period | 648.28 | 1,098.41 |
| | **Cash and cash equivalents at the end of the year** | 626.97 | 648.28 |
| | **Components of cash and cash equivalents** | | |
| | Cash on hand | 4.09 | 3.14 |
| | Balances with banks in | | |
| | Current accounts | 622.88 | 465.17 |
| | On deposit accounts (with original maturity of 3 months or less) | - | 179.97 |
| | **Total cash and cash equivalents ( refer note 10)** | 626.97 | 648.28 |

Summary of significant accounting policies 2.2

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For Nangia & Co. LLP**
**Chartered Accountants**
**ICAI FRN 002391C/N500069**

Prateek Agrawal

**Prateek Agrawal**
Partner
Membership No. 402826

Date: 14th June,2021
Place: New Delhi

For and on behalf of the Board of Directors of
Berggruen Hotels Private Limited

**Jagdish Kumar Chawla**
**Director**
DIN 00003022

**Anshu Sarin**
**Director**
DIN 07101558

**Anish Arora**
Chief Financial Officer

Sonali

**Sonali Manchanda**
Company Secretary

Date: 14th June,2021
Place: New Delhi

**1. Corporate Information**

Berggruen Hotels Private Limited (the Company) is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at602, Central Plaza, 6th Floor, 166, C.S.T. Road, Kalina, Santacruz (West) Mumbai- 400098.

The principal activities of the Company is to carry out business of developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc.

The financial statements were authorized for issue in accordance with a resolution of the directors on June 14, 2021.

**2 Basis of preparation**

**2.1 Significant accounting policies**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortized cost.

The financial statements are presented in Indian Rupees (INR) and all values are rounded upto two decimal places to the nearest lakhs, expect where otherwise indicated.

**2.2 Summary of significant accounting policies**

**(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(b) Foreign currencies**

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

**(c) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 29)
- Contingent consideration (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 33)
- Financial instruments (including those carried at amortized cost) (note 33)

**(d) Revenue recognition**

The Company earns revenue primarily from the business of carrying developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand of Lemon Tree Premier.

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Effective April 1, 2018, the Company had applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognized. The Company had adopted Ind AS 115 using cumulative catch-up transition method, where any effect arising upon application of this standard is recognized as at the date of initial application (i.e April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application.

In arrangements for room revenue and related services, the Company has applied the guidance in Ind AS 115 for recognition of Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room revenue and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT)/Goods & Service Tax(GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

*Rooms, Restaurant, Banquets and Other Services*

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT), Goods and Service tax and Luxury Tax. Difference of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

*Sale of goods*

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax / VAT/Goods and Service Tax.

*Interest income*

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

**(e) Taxes**

*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount

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are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

*Sales/ value added taxes paid on acquisition of assets or on incurring expenses*

Expenses and assets are recognized net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**(f) Property, plant and equipment**

The Company has elected to measure the property, plant and equipment at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.

When significant parts of plant and equipment are required to be replaced at intervals, the

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Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on fixed assets is provided as per Revised Schedule III of Companies Act, 2013 on Straight Line Method over its economic useful life of fixed assets as follows:

| Fixed Assets | Useful life considered (SLM) |
|---|---|
| Building | 60 Years |
| Plant & Machinery | 15 Year |
| Electrical fittings | 10 Years |
| Electrical Equipment | 10 Years |
| Office Equipments | 5 Years |
| Furniture and Fixtures | 8 Years |
| Vehicles | 6 Years |
| Computers | 3 Years |

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

**(g) Intangible assets**

The Company has elected to measure the Intangible Assets at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.
(See Note 34)

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 3 years and the same shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 income statement when the asset is derecognized.

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**(i) Leases**

The Company assesses that the contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(1) The contract involves the use of an identified asset,
(2) The Company has substantially all of the economic benefits from use of the identified asset, and
(3) The Company has the right to direct the use of the identified asset.

**Company as a lessee**

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company adopts the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, exercise price of a purchase option and payments of penalties for terminating the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.
The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these low value leases are recognized as an expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

**(j) Inventories**

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realizable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

**(k) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**(l) Provisions**

*General*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current

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pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**(m) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Company's contribution made to Life Insurance Corporation is expenses off at the time of payment of premium.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The company treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**(n) 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.

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***Financial assets***

*Initial recognition and measurement*

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments in subsidiaries carried at cost

*Debt instruments at amortized cost*

A debt instrument is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables etc.

*Debt instrument at FVTOCI*

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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*Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

*Equity instruments*

All equity investments (other than equity investments in subsidiaries) in scope of Ind AS 109 are measured at fair value. Equity instruments in subsidiaries are carried at cost in separate financial statements less impairments if any. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Trade receivables or any contractual right to receive cash or another financial asset

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

  For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

  The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

***Financial liabilities***

*Initial recognition and measurement*
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

*Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

*Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(o) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and 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.

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## 3A Property, Plant and Equipment

*Rs. in lakhs*

| Particulars | Freehold land | Leasehold land | Buildings | Plant and machinery | Equipments | Electrical Fittings | Furniture | Computers | Leased Asset (Right to use) | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| At April 1, 2019 | 9,312.50 | 71.98 | 36,115.98 | 4,162.06 | 193.04 | 585.28 | 670.13 | 44.52 | 1,444.83 | 52,600.32 |
| Additions | - | - | 2.08 | 9.14 | - | - | 4.24 | 2.03 | - | 17.49 |
| Disposals / Writeoff | 1,634.51 | - | - | - | - | - | - | - | - | 1,634.51 |
| **At March 31, 2020** | **7,677.99** | **71.98** | **36,118.06** | **4,171.20** | **193.04** | **585.28** | **674.37** | **46.55** | **1,444.83** | **50,983.30** |
| Additions | - | - | 0.58 | 4.49 | - | - | - | 0.10 | - | 5.17 |
| Disposals / Writeoff | - | - | - | - | - | - | - | - | 51.09 | 51.09 |
| **At March 31, 2021** | **7,677.99** | **71.98** | **36,118.64** | **4,175.69** | **193.04** | **585.28** | **674.37** | **46.65** | **1,393.74** | **50,937.38** |
| **Depreciation** | | | | | | | | | | |
| At April 1, 2019 | 459.51 | 9.88 | 524.88 | 413.26 | 43.02 | 263.45 | 101.07 | 15.81 | - | 1,830.88 |
| Depreciation charge for the year | - | 3.29 | 532.81 | 424.79 | 44.98 | 182.61 | 75.53 | 9.98 | 136.38 | 1,410.37 |
| Disposals / Writeoff | 459.51 | - | - | - | - | - | - | - | - | 459.51 |
| **At March 31, 2020** | - | **13.17** | **1,057.69** | **838.05** | **88.00** | **446.06** | **176.60** | **25.79** | **136.38** | **2,781.74** |
| Depreciation charge for the period | - | 3.29 | 691.36 | 467.40 | 44.84 | 109.98 | 75.53 | 9.98 | 109.81 | 1,512.19 |
| Disposals / Writeoff | - | - | - | - | - | - | - | - | - | - |
| **At March 31, 2021** | - | **16.46** | **1,749.05** | **1,305.45** | **132.84** | **556.04** | **252.13** | **35.77** | **246.19** | **4,293.93** |
| **Net Book Value** | | | | | | | | | | |
| **At March 31, 2021** | **7,677.99** | **55.52** | **34,369.59** | **2,870.24** | **60.20** | **29.24** | **422.24** | **10.88** | **1,147.55** | **46,643.45** |
| **At March 31, 2020** | **7,677.99** | **58.81** | **35,060.37** | **3,333.15** | **105.04** | **139.22** | **497.77** | **20.76** | **1,308.45** | **48,201.56** |

Notes

a) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 16 on 'borrowings'.

**4 Intangible Assets**

*Rs. in lakhs*

| **Particulars** | **Brand allied and IPR** | **Software** | **Total** |
|---|---|---|---|
| | | | |
| **At April 1, 2019** | 7.54 | 7.99 | 15.53 |
| Additions | - | - | - |
| Disposals | - | - | - |
| **At March 31, 2020** | 7.54 | 7.99 | 15.53 |
| Additions | - | - | - |
| Disposals | - | - | - |
| **At March 31, 2021** | 7.54 | 7.99 | 15.53 |
| | | | |
| **Amortisation** | | | |
| **At April 1, 2019** | - | 5.65 | 5.65 |
| Amortisation | 7.54 | 0.89 | 8.43 |
| Disposals | - | - | - |
| **At March 31, 2020** | 7.54 | 6.54 | 14.08 |
| Amortisation | - | 0.88 | 0.88 |
| Disposals | - | - | - |
| **At March 31, 2021** | 7.54 | 7.42 | 14.96 |
| | | | |
| **Net Block** | | | |
| **At March 31, 2021** | - | 0.57 | 0.57 |
| **At March 31, 2020** | - | 1.45 | 1.45 |

| **Net book value** | **As at 31.03.2021** | **As at 31.03.2020** |
|---|---|---|
| **Intangible assets** | 0.57 | 1.45 |

3B **Capital Work-In-Progress**

*Rs. in lakhs*

| **Particulars** | **Capital Work-In- Progress** | **Total** |
|---|---|---|
| | | |
| **Cost** | | |
| **At April 1, 2019** | 329.19 | 329.19 |
| Additions | 2.77 | 2.77 |
| Provision | 329.19 | 329.19 |
| **At March 31, 2020** | 2.77 | 2.77 |
| Additions | - | - |
| Written off during the year | - | - |
| **At March 31, 2021** | 2.77 | 2.77 |

*(This space has been intentionally left blank)*

## 5 Loans

| Particulars | Non current As at March 31, 2021 Rs. in lakhs | Non current As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| **Unsecured considered good unless otherwise stated at amortised cost** | | |
| Security deposits | 666.75 | 695.17 |
| **Total** | **666.75** | **695.17** |

| Particulars | Current As at March 31, 2021 Rs. in lakhs | Current As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| **Unsecured considered good unless otherwise stated at amortised cost** | | |
| Security deposits | 8.22 | 8.94 |
| Loans to Related parties | - | 0.29 |
| **Total** | **8.22** | **9.23** |

## 6 Inventories

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| - Food & Beverages | 16.59 | 28.36 |
| - Linen & Kitchen Supplies | 24.29 | 29.26 |
| - Fuel & Engineering | 7.78 | 9.48 |
| **Total** | **48.66** | **67.10** |

## 7 Other Non-current Assets

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Prepaid expenses | 8.00 | 10.31 |
| Balances with Government Authorities | 171.81 | 166.91 |
| Advances other than capital advances | 86.38 | 84.24 |
| **Total** | **266.19** | **261.46** |

## 8 Non-Current tax asset

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Advance Income Tax (Net of provision for taxation) | 219.82 | 633.23 |
| **Total** | **219.82** | **633.23** |

## 9 Trade receivables

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Unsecured, considered good | 350.28 | 2,594.91 |
| **Total** | **350.28** | **2,594.91** |

No trade or other receivable are due from directors or other officers either severally or jointly with any other person.

**Berggruen Hotels Pvt Ltd**

**Notes forming part of the Financial Statements for the period ended March 31, 2021**

## 10 Cash and cash equivalents

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Balances with banks | | |
| On current accounts | 622.88 | 465.17 |
| On deposit accounts (with original maturity of 3 months or less)* | - | 179.97 |
| Cash in hand | 4.09 | 3.14 |
| **Total** | **626.97** | **648.28** |

* Short-term deposits are made for varying periods of between one day and three months and earn interest at the respective short-term deposit rates.

## 11 Bank balances other than cash and cash equivalents

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Fixed Deposits with Banks ( Maturity more than twelve months) | 373.04 | 388.74 |
| **Total** | **373.04** | **388.74** |

## 12 Other financial assets

| Particulars | Non Current | |
|---|---|---|
| | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
| Interest accrued on fixed deposits and other deposits | 170.95 | 230.17 |
| Interest accrued on loans to related party | 31.13 | - |
| **Total** | **202.08** | **230.17** |

| Particulars | Current | |
|---|---|---|
| | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
| Interest accrued on fixed deposits and other deposits | 28.24 | 38.61 |
| **Total** | **28.24** | **38.61** |

## 13 Other Current Assets

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Prepaid expenses | 64.70 | 52.90 |
| Advance to Suppliers | 35.89 | 6.37 |
| Advance to Employees | 2.36 | 0.51 |
| **Total** | **102.95** | **59.78** |

*(This space has been intentionally left blank)*

## 14 Equity share capital

| Particulars | As at March 31, 2021 No. of Shares | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 No. of Shares | As at March 31, 2020 Rs. in lakhs |
|---|---|---|---|---|
| **Authorised** | | | | |
| Class A-Equity Shares of Rs. 10 each | 5,83,00,000 | 5,830.00 | 5,83,00,000 | 5,830.00 |
| | **5,83,00,000** | **5,830.00** | **5,83,00,000** | **5,830.00** |
| **Issued** | | | | |
| Class A-Equity Shares of Rs. 10 each | 5,45,51,616 | 5,455.16 | 5,45,51,616 | 5,455.15 |
| | **5,45,51,616** | **5,455.16** | **5,45,51,616** | **5,455.15** |

| **(a) Reconciliation of the number of shares and amount** | As at March 31, 2021 No. of Shares | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 No. of Shares | As at March 31, 2020 Rs. in lakhs |
|---|---|---|---|---|
| **Class A- Equity Shares** | | | | |
| At the beginning of the year | 5,45,51,616 | 5,455.15 | 5,18,07,747 | 5,180.77 |
| Add: Conversion of CCD to Equity shares | - | - | 38,42,959 | 384.30 |
| Add: Conversion of Class B to Class A Equity | - | - | 6,20,910 | 62.09 |
| Less: Shares Bought back during the year | - | - | (17,20,000) | (172.00) |
| Add: Shares issued during the year | - | - | - | - |
| **Outstanding at the end of the of the year** | **5,45,51,616** | **5,455.16** | **5,45,51,616** | **5,455.15** |
| **Class B- Equity Shares** | | | | |
| At the beginning of the year | - | - | 23,23,293 | 232.33 |
| Less : shares bought back during the year | - | - | (17,02,383) | (170.24) |
| Less : Conversion to Class A | - | - | (6,20,910) | (62.09) |
| **Outstanding at the end of the of the year** | - | - | - | - |

| **(b) Shares held by holding company** | As at March 31, 2021 No. of Shares | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 No. of Shares | As at March 31, 2020 Rs. in lakhs |
|---|---|---|---|---|
| **Class A Equity Shares** | | | | |
| Fleur Hotels Private Limited | 5,45,51,616 | 5,455.16 | 5,45,51,616 | 5,455.16 |

**(c ) Details of shareholders holding more than 5% of in the Company**

| **Name of the Shareholder** | As at March 31, 2021 No. of shares held | As at March 31, 2021 % holding in the class | As at March 31, 2020 No. of shares held | As at March 31, 2020 % holding in the class |
|---|---|---|---|---|
| **Class A Equity Shares** | | | | |
| Fleur Hotels Private Limited | 5,45,51,616 | 100.00% | 5,45,51,616 | 100.00% |

**(d) Terms/rights attached to equity shares :**

The Company had two class of equity shares (Class A and Class B) having a par value of Rs. 10 each. During the previous year ended March 31, 2020, out of the 23,23,293 Class B shares existing as on March 31, 2019 the Company has bought back 17,02,383 and converted 6,20,910 Class B equity shares to Class A Equity shares. 23.23 lakhs Class B Equity Shares were issued and allotted on 8 May 2012, to certain employees of the Company pursuant to Share Subscription and Share Holders Agreement (herein after refer to 'SSSHA') entered between the Company, its promoters and the said employees. Class B Equity shares were not entitled to voting or dividend rights. As on March 31, 2021, the Company has only one class of Equity shares i.e Class A of Equity shares. Each holder of Class A equity shares is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

**Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

| | March 31, 2021 No. of shares | March 31, 2020 No. of shares |
|---|---|---|
| Equity shares bought back (Class A) | - | 17,20,000 |
| Equity shares bought back (Class B) | - | 17,02,383 |

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4

**14A Other Equity**

| **Particulars** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Securities premium (A)** | | |
| Balance at the last Balance Sheet | 40,097.13 | 38,519.98 |
| Add: Security Premium on Conversion of CCD | - | 3,410.80 |
| Less: Security premium utilised on buy back of shares | - | (1,491.41) |
| Less: Nominal Value of Shares bought back transferred from Security premium to capital redemption reserve | - | (342.24) |
| **Closing Balance** | **40,097.13** | **40,097.13** |
| **Capital Redemption Reserve (B)** | | |
| Balance at the beginning of the year | 342.24 | 342.24 |
| **Closing Balance** | **342.24** | **342.24** |
| **Retained Earnings (C)** | | |
| Balance at the beginning of the year | (12,008.53) | (9,640.42) |
| Net Profit for the year | (706.27) | (2,274.32) |
| Re-measurement gain on defined benefit plans (net of taxes)[Items of OCI] | (28.63) | (93.78) |
| **Closing Balance** | **(12,743.43)** | **(12,008.52)** |
| **Equity Component of CCD (D)** | | |
| Balance at the last Balance Sheet | - | 2,661.96 |
| Less: Reversal of Equity component at redemption | - | (2,661.96) |
| **Closing Balance** | - | - |
| **Total (A+B+C+D)** | **27,695.94** | **28,430.83** |

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## 15 Provisions

| Particulars | Non-Current As at March 31, 2021 Rs. in lakhs | Non-Current As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Provision for employee benefits | | |
| Gratuity (refer note 30) | 44.00 | 12.25 |
| EPCG liability | 318.40 | 937.07 |
| STP liability | 75.00 | 75.00 |
| **Total** | **437.40** | **1,024.32** |

| Particulars | Current As at March 31, 2021 Rs. in lakhs | Current As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Provision for employee benefits | | |
| Gratuity (refer note 30) | 16.69 | 16.54 |
| Leave benefits | 33.57 | 34.10 |
| STP liability | 160.00 | 160.00 |
| **Total** | **210.26** | **210.64** |

## 16 Borrowings

| Particulars | Non-Current As at March 31, 2021 Rs. in lakhs | Non-Current As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Term Loan from Financial Institution | 406.55 | 720.00 |
| Term loan From Bank | 5,752.08 | 9,668.29 |
| Credit facility from bank | - | - |
| **Total** | **6,158.63** | **10,388.29** |

| Particulars | Current As at March 31, 2021 Rs. in lakhs | Current As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Term Loan from Financial Institution | 240.00 | - |
| Term loan From Bank | 3,086.26 | - |
| Credit facility from bank | 1,480.96 | 1,315.85 |
| Loans from Related Party | 340.00 | 57.00 |
| **Total** | **5,147.22** | **1,372.85** |

**Nature of security and terms of repayments for long term borrowings**

**a)** Term loan from Yes Bank of Rs. 2131.76 Lakhs (Previous year Rs. 2386.76 Lakhs) carries interest rate of 9.10%, and is repayable in 36 quarterly installments from the date of loan after a moratorium period of 30 months as per the repayment schedule. The loan is secured by way of exclusive charge on - the entire project land at Cochin along with structures built thereon and all movable fixed assets and current assets (both present and future) of the Cochin hotel. Further, the loan is secured by way of pledge of 30% shareholding of the Company held by the holding company and corporate guarantee of Fleur Hotels Private Limited.

**b)** Term loan from bank of Rs.6706.59 Lakhs (Previous year Rs. 7281.53 Lakhs) carries interest rate of 9.10%. Out of the above, Rs.5704.42 Lakhs (Previous year Rs.6107.83 Lakhs) is repayable in 40 quarterly installments from the date of the loan and the balance is repayable in 32 quarterly installments from the date of loan after a moratorium period of 24 months. The above loans are secured by exclusive charge on all movable fixed assets and current assets (both future and present) of the Company except Vizag Hotel and charge on owned/freehold properties and structure in respect of leasehold land for operational hotels (excluding Vizag) and extension of charge over Cochin project. Further, the loan is secured by way of pledge of 30% shareholding of the Company held by the holding company and corporate guarantee of Fleur Hotels Private Limited.

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c) Term loan from financial institution of Rs. 720.00 Lakhs (Previous year Rs. 720. 00 Lakhs) carries interest not exceeding 12.30% p.a. and is repayable in 30 equal quarterly installment after 15 October, 2015. The loan is secured by first charge and equitable mortgage of leasehold land situated at Vizag and first charge by way of hypothecation of movable assets subject to prior charge of the bank on specified movable assets for securing working capital facility and further pledge of 15,45,000 equity shares of the Company held by the holding company and corporate guarantee of Fleur Hotels Private Limited.

2 Credit facility from Bank carries interest rate of 9.10% and is secured by way of exclusive charge on movable fixed assets. The said facility is secured by way of exclusive charge on-the entire project land at Cochin along with structures built thereon and all movable fixed assets and current assets (both present and future) of the Cochin hotel. Further, the loan is secured by way of pledge of 30% shareholding of the Company held by the holding company and corporate guarantee of Fleur Hotels Private Limited.

## 17 Trade payables

| Particulars | Current | |
|---|---|---|
| | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
| Trade payables | | |
| -total outstanding dues of micro enterprises and small enterprises | 7.15 | - |
| -total outstanding dues of creditors other than micro and small enterprises | 959.06 | 748.49 |
| **Total** | **966.21** | **748.49** |

* Trade payables are non-interest bearing and are generally on terms of 30 to 90 days.

## 18 Other financial liabilities

| Particulars | Current | |
|---|---|---|
| | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
| Creditors for expenses* | 3,045.29 | 3,429.69 |
| Interest acrued | 3.70 | 116.53 |
| **Total** | **3,048.99** | **3,546.22** |

***Lease Liabilty included in creditors for expenses**

| Particular | Amount |
|---|---|
| **Balance as at April 01, 2019** | **3,092.96** |
| Additions during the year | - |
| Deletion during the year | - |
| Interest accrued during the year | 320.70 |
| Payment of lease liabilities | 396.90 |
| **Balance as at March 31, 2020** | **3,016.76** |
| Additions during the year | - |
| Deletion during the year | |
| Interest accrued during the year | 313.79 |
| Payment of lease liabilities | 441.04 |
| **Balance as at March 31, 2021** | **2,889.51** |
| | |
| **Current** | 76.22 |
| **Non-Current** | 2,813.28 |

## 19 Other current Liabilities

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Capital creditors | 39.87 | 39.87 |
| Statutory dues | 141.55 | 510.70 |
| Advance from Customers | 48.59 | 60.86 |
| **Total** | **230.01** | **611.43** |

## 20 Deferred Tax Liability

| Particulars | As at March 31, 2021 Rs. in lakhs | As at March 31, 2020 Rs. in lakhs |
|---|---|---|
| Property Plant & Equipment | 6,290.88 | 6,866.78 |
| **Deferred tax liabilities** | **6,290.88** | **6,866.78** |
| Effect of Unabsorbed depreciation | 5,648.08 | 4,822.55 |
| Provision for Gratuity | 15.28 | - |
| Provision for leave encashment | 8.45 | - |
| Interest on borrowings | 113.01 | - |
| Provision for bonus | 8.76 | - |
| Lease liabilty and Right on use | 307.13 | - |
| **Deferred tax asset** | **6,100.71** | **4,822.55** |
| **Deferred tax liability, Net** | 190.17 | 2,044.23 |
| **Total** | **190.17** | **2,044.23** |

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**Berggruen Hotels Pvt Ltd**
**Notes forming part of the Financial Statements for the period ended March 31, 2021**

**21 Revenue from operations**

| | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| **Revenue from operations** | | |
| **Sale of products and services** | | |
| Rooms & Banquet Rentals | 1,731.91 | 5,802.00 |
| Food and Beverages | 513.86 | 1,760.61 |
| Service Charge Income | 60.65 | 132.42 |
| Other Services | 16.77 | 60.82 |
| Management Fees | 110.50 | 310.95 |
| Service Charges/ ( Keys Lite Fees) | 0.21 | 2.23 |
| **Total** | **2,433.90** | **8,069.03** |

**22 Other income**

| | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| Exchange Gain (net) | 0.06 | 0.09 |
| Sale of Brand | - | 100.00 |
| Sale of Managed Contracts | - | 1,900.00 |
| Miscellaneous Income | 15.57 | 13.04 |
| Interest income on Bank Deposits | 82.91 | 60.65 |
| Interest income on others | 3.87 | 119.94 |
| Interest income on Income tax refund | 32.71 | - |
| Sale of scrap | 0.42 | 1.24 |
| Waiver of rent | 107.76 | - |
| Provision for doubtful debts written back | 3.96 | - |
| **Total** | **247.26** | **2,194.96** |

**23 Cost of material consumed**

| | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| **(a) Consumption of food & beverages** | | |
| Inventory at the beginning of the year | 28.36 | 37.93 |
| Add: Purchases | 149.44 | 648.19 |
| Less: Inventory at the end of the year | 16.59 | 28.36 |
| Cost of food and beverage consumed | **161.21** | **657.76** |
| **(b) Consumption of stores & supplies** | | |
| Inventory at the beginning of the year | 29.26 | 23.62 |
| Add: Purchases | 82.71 | 265.64 |
| Less: Inventory at the end of the year | 25.22 | 29.26 |
| Cost of stores and supplies consumed | **86.75** | **260.00** |
| **(c) Consumption of Power, fuel & water charges** | | |
| Inventory at the beginning of the year | 9.48 | 10.10 |
| Add: Purchases | 383.77 | 869.92 |
| Less: Inventory at the end of the year | 7.78 | 9.48 |
| Cost of Power, Fuel & Water charges consumed | **385.47** | **870.54** |
| **Total cost of material consumed** | **633.43** | **1,788.30** |

**24 Employee benefits expense**

| | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| Salaries, Wages and Bonus | 646.30 | 2,486.04 |
| Payment to outsourced staff | 53.28 | 215.84 |
| Contribution to Provident and other Funds | 59.61 | 153.54 |
| Gratuity expense (refer note 30) | 16.39 | (103.98) |
| Leave Encashment | 9.24 | (75.61) |
| Staff welfare expenses | 42.67 | 108.22 |
| **Total** | **827.49** | **2,784.05** |

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Berggruen Hotels Pvt Ltd

Notes forming part of the Financial Statements for the period ended March 31, 2021

25 **Depreciation expense**

| | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| Depreciation on property, plant and equipment's (refer note 3) | 1,513.07 | 1,418.78 |
| **Total** | **1,513.07** | **1,418.78** |

26 **Finance Cost**

| | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| Interest - on borrowings | 1,448.75 | 2,012.66 |
| Bank and other financial charges | 2.84 | 20.62 |
| **Total** | **1,451.59** | **2,033.28** |

27 **Other expenses**

| | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| Rent | 27.81 | 23.76 |
| Printing & stationary | - | 0.95 |
| Advertisement & Sales Promotion | 81.81 | 235.15 |
| Travelling and conveyance | 15.68 | 209.56 |
| Communication expenses | 25.68 | 113.22 |
| Legal and professional fees | 36.50 | 159.32 |
| Payment to auditor (Refer Note A below) | 6.00 | 10.00 |
| Repairs & maintenance | - | |
| Building | 4.91 | 39.97 |
| Equipment | 70.86 | 179.54 |
| Others | 20.00 | 57.09 |
| Provision for doubtful debts | - | 1,146.78 |
| Security deposits written off | - | 100.00 |
| CWIP written off | - | 329.18 |
| Insurance | 17.73 | 30.25 |
| Management fees | 103.97 | 157.48 |
| Commission expenses | 156.80 | 450.55 |
| Rates and taxes | 237.28 | 1,579.09 |
| Miscellaneous expenses | 10.87 | 70.11 |
| **Total** | **815.90** | **4,892.00** |

**Note A: Payments to the auditors (excluding service tax/GST)**

| **Particulars** | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| **As auditors:** | | |
| Statutory audit | 6.00 | 10.00 |
| **Total** | **6.00** | **10.00** |

28 **Earnings per share**

The following reflects the profit and share data used in the basic and diluted computations:

| **Particulars** | For the year ended March 31, 2021 Rs. in lakhs | For the year ended March 31, 2020 Rs. in lakhs |
|---|---|---|
| Loss after tax | (706.27) | (2,274.32) |
| Weighted average number of Equity Shares outstanding (Nos.) | 5,45,51,616 | 5,37,76,859 |
| Basic/Diluted Loss per share (nominal value of shares Rs. 10 each; March 31, 2021 Rs. 10 each) | (1.29) | (4.23) |

*(This space has been intentionally left blank)*

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## 29. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The estimates and underlying assumptions are reviewed on an ongoing basis and the revisions to accounting estimates are recognized in the period in which the estimate is revised.

**Valuation of Property Plant & Equipment and Intangible Assets:**
The Company has elected to use fair value as deemed cost on the date of Transition to Ind AS for Property Plant & Equipment

**Estimation of Uncertainties related to global health pandemic on COVID-19**

The COVID-19 pandemic is affecting major economic and financial markets, and virtually all industries and governments are facing challenges associated with the economic conditions resulting from efforts to address it. As the spread of the pandemic increased, entities are experiencing conditions often associated with a general economic downturn. In many countries, there has been severe disruption in regular business operations due to lockdown, travel bans, quarantines and other emergency measures. Currently there is a particularly high degree of uncertainty about the ultimate trajectory of the pandemic and the path and time needed for a return to a "steady state." The continuation of these circumstances could have a prolonged negative impact on the financial condition and results of operations.

For the year ended March 31, 2021. the Company has considered possible effects due to COVID 19 in its assessment of the going concern assumption and liquidity position for the next one year, recoverability of assets comprising Property, Plant and Equipment (PPE), trade receivables and investment in subsidiaries and associates (investments) as at the balance sheet date.
The Management have assessed the effect of these macro-economic conditions into their estimates of future cash flows to make good-faith estimates for determining the values of the Company's assets including investments and liabilities. The Management has carefully considered these unique circumstances and risk exposures when analyzing how recent events may affect their financial reporting to develop estimates considering all available relevant information.

Specifically for investments, the Management has considered the following in its evaluation:

- The industry in which the investee entity operates
- The geographic location of the investee entity
- The size of the investee entity
- The quantitative significance of the investee entity
- Other factors specific to the investee entity
- Liquidity risk premiums
- Appropriateness of valuation techniques and inputs used including current market assessment of credit risk and liquidity risk.

While assessing the recoverable amount of PPE and investments, the Company has used significant assumptions such as hotel occupancy rates, average room rate per hotel, terminal growth rate and weighted average cost of capital. For assessing the recoverable amount of trade receivables, the Company has calculated the expected credit loss from the debtors considering amount to be realized from them in future after factoring the impact on credit risk due to COVID 19.

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Management has also taken various cost savings initiatives, which will have a positive impact going forward. Management believes that the easing of lockdown in India including domestic flight operations and expected increase in business travel would be beneficial for the Company.

Management believes that it has taken into account the possible impact of known events arising from COVID 19 pandemic in the preparation of theses financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict including the degree to which governments may further restrict business and other activities. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise. The management believes that it will not have negative impact on future cash flows and the financial position of the Company.
Based on a collective assessment of the above factors management believes that the Company will continue as a going concern for the next one year, has enough liquidity to meet its obligations and based on fair value assessment will be able to recover the carrying amount of its assets as on March 31, 2021.

***Critical judgements, estimates and assumptions***

**1. Impairment of property, plant and equipment**

Each hotel property is an identifiable asset that generates cash inflows and is independent of the cash inflows of the other hotel properties, hence identified as cash generating units. The Company assesses the carrying amount of hotel properties (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

| **Particulars** | **As at March 31, 2021** |
|---|---|
| Discount Rate *(pre tax rate of WACC)* | 12.50% |
| Long Term Growth Rate | 5.50% |

As at March 31, 2021, the estimated recoverable amount of the CGU exceeded its carrying amount and the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the CGU.

**2. Leases**

The Company has taken certain land and land & building on long term lease basis. The lease agreements generally have an escalation clause and are generally non-cancellable. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires judgment. The Company uses judgement in assessing the lease term and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate.

**3. Loss Allowance on trade receivables**

An impairment analysis of trade receivables is performed at each reporting period based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. In calculating expected credit loss, the Company has also considered the likelihood of consequential default considering emerging situations due to COVID-19 and has taken into account estimates of possible effect from the pandemic relating to COVID-19. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2021 is considered adequate.

## 30. Gratuity and other post-employment benefit plans

*Rs in lakhs*

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Present value of defined benefit obligation | 60.69 | 28.79 |
| **Total** | **60.69** | **28.79** |

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.

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Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021:

*Rs in lakhs*

| | Gratuity cost charged to profit or loss | | | | | Remeasurement gains/(losses) in other comprehensive income | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **April 1, 2020** | **Service cost** | **Net interest expense** | **Sub-total included in profit or loss** | **Benefits paid** | **Return on plan assets (excluding amounts included in net interest expense)** | **Actuarial changes arising from changes in demographic assumptions** | **Actuarial changes arising from changes in financial assumptions** | **Experience adjustments** | **Sub-total included in OCI** | **Contributions by employer** | **March 31, 2021** |
| Defined benefit obligation | 82.96 | 14.82 | 4.08 | 18.9 | (49.87) | - | - | (0.37) | 28.51 | 28.14 | - | 80.14 |
| Fair value of plan assets | 54.17 | - | - | - | (36.76) | 2.04 | - | - | - | (2.04) | - | 19.45 |
| **Benefit liability** | **28.79** | **14.82** | **4.08** | **18.9** | **(13.11)** | **(2.04)** | **-** | **(0.37)** | **28.51** | **30.18** | **-** | **60.69** |

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

*Rs in lakhs*

| | | Gratuity cost charged to profit or loss | | | | Remeasurement gains/(losses) in other comprehensive income | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **April 1, 2019** | **Service cost** | **Net interest expense** | **Sub-total included in profit or loss** | **Benefits paid** | **Return on plan assets (excluding amounts included in net interest expense)** | **Actuarial changes arising from changes in demographic assumptions** | **Actuarial changes arising from changes in financial assumptions** | **Experience adjustments** | **Sub-total included in OCI** | **Contributions by employer** | **March 31, 2020** |
| Defined benefit obligation | 149.96 | 51.53 | 9.84 | 61.37 | (32.08) | - | (5.39) | (2.83) | (88.07) | (96.29) | - | 82.96 |
| Fair value of plan assets | 81.86 | - | - | - | (32.08) | 4.39 | - | - | - | 4.39 | - | 54.17 |
| **Benefit liability** | **68.10** | **51.53** | **9.84** | **61.37** | **-** | **(4.39)** | **(5.39)** | **(2.83)** | **(88.07)** | **(100.68)** | **-** | **28.79** |

*The major categories of plan assets of the fair value of the total plan assets are as follows:*

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Unquoted investments:** | | |
| Asset invested in insurance scheme with the LIC | 100% | 100% |
| **Total** | 100% | 100% |

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Discount rate:** | % | % |
| Pension plan | 5.60% | 5.47% |
| **Future salary increases:** | | |
| Pension plan | 5.00% | 5.00% |
| **Life expectation for pensioners at the age of 65:** | Years | Years |
| **Pension plan** | | |
| Male | 60 | 60 |
| Female | 60 | 60 |

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

**India gratuity plan:**

*Rs in lakhs*

| | March 31, 2021 | March 31, 2021 | March 31, 2021 | March 31, 2021 |
|---|---|---|---|---|
| **Assumptions** | **Discount rate** | | **Future salary increases** | |
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | 16.79 | 22.31 | 22.30 | 16.75 |

| | March 31, 2020 | March 31, 2020 | March 31, 2020 | March 31, 2020 |
|---|---|---|---|---|
| **Assumptions** | **Discount rate** | | **Future salary increases** | |
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | 51.37 | 57.18 | 57.14 | 51.82 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

*Rs in lakhs*

| Duration (Years) | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| 1 | 17.52 | 16.55 |
| 2 | 15.48 | 15.92 |
| 3 | 13.27 | 15.04 |
| 4 | 11.55 | 11.82 |
| 5 | 9.39 | 9.90 |
| Above 5 | 23.43 | 24.51 |
| **Total expected payments** | **90.64** | **93.74** |

The average duration of the defined benefit plan obligation at the end of the reporting period is 3.78years (March 31, 2020: 2.77years).

## 31. Commitments and contingencies

### a. Commitments

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

At March 31, 2021, the Company had NIL commitments (March 31, 2020: Nil)

### b. Contingent liabilities

**Claims against the Company not acknowledged as debts**

*Rs in lakhs*

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| a. | Counter guarantees issued in respect of guarantees issued by company's bankers | 338.64 | 516.92 |
| b. | Custom duty on pending export obligation | - | - |

### c. Legal claim contingency

i) The Company has entered into a lease agreement in April, 2008 with the land owners of the Baroda property to construct a hotel in the said property pursuant to whichsum of Rs. 100 Lakhs has been paid to the property owners as refundable security deposit. As per the Lease agreement, on execution of the said Lease Deed, owners were obliged to deliver to the Company, vacant and peaceful possession of the said property and to demolish existing structure standing thereon in order to enable the Company to construct the proposed hotel on the said property. More than five years have elapsed since execution of the said Lease Deed and despite various assurances and promises, the owners have failed to hand over possession of the said property and hence the Company terminated the lease agreement and asked immediately to refund the refundable security deposit alongwith interest at the rate of 25% per annum. Subsequent to termination of the lease agreement, the Company has also filed the case against owners for recovery of monies paid to them alongwith the interest. The Company expects the judgment in its favour.

## 32. Related Party Transactions

a) Names of related parties where control exists irrespective of whether transactions have occurred or not,

Ultimate Holding company

- Lemon Tree Hotels Limited (from November 1, 2019)
- Berggruen Investments Mauritius (upto October 31, 2019)

Holding Company

- Fleur Hotels Private Limited(from November 1, 2019)
- Berggruen Investments, Mauritius (upto October 31, 2019)

Fellow subsidiary companies/LLP

- Carnation Hotels Private Limited (from November 15, 2019)
- IORA Hotel Private Limited
- Inovoa Hotel & Resorts Private Limted

Other Related Parties with whom transactions have taken place during the year or balances is outstanding during the year

- Berggruen Car Rentals Private Limited ( upto October 31, 2019)
- BH Advisors Private Limited ( upto October 31, 2019)
- IMS Benelux Holdings Cooperative UA ( upto October 31, 2019)
- BH Management LLP ( upto October 31, 2019)
- Berggruen Estate Projects Private Limited ( upto October 31, 2019)
- Gemini Equipments and Rentals Private Limited (upto October 31, 2019)

Key Management Personnel

- Mr. Jagdish Kumar Chawla( Director) ( from November 1, 2019)
- Mr. Davander Tomar(Director)( from November 1, 2019)
- Ms. Anshu Sarin (Whole Time Director & CEO)
- Mr. Pradeep Mathur( Independent Director) ( from November 5, 2019)
- Mr. Pramartha Saikia( Independent Director) ( from November 5, 2019)
- Mr. Kabir Kewalramani (Director)(upto November 1,2019)
- Mr. Vikas Chadha(Director)(resigned March 31, 2019)
- Mr. Rajnita Kewalramani (Director)(from March 18, 2019 to November 1, 2019)

- Mr. Shree Krishan Sharma (Director)(from July 7, 2019 to November 1, 2019)

Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

| | |
|---|---|
| Chief Financial Officer | : Mr. Anish Arora (from February 13, 2020) |
| Company Secretary | : Mr. Mohit Arora (from February 13, 2020 to August 3, 2020) |
| | : Ms. Sonali Manchanda (from August 05, 2020) |
| | : Mr. Pratik Jagdish Sawant (from July 29, 2019 to December 2, 2019) |

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Rs in lakhs

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **(A) Transactions during the year** | | |
| | | |
| **Purchase of services** | - | **2.27** |
| **Other related parties** | | |
| Berggruen Car Rentals Private Limited | - | 2.27 |
| | | |
| **Interest expense on 17.75 % Compulsory Convertible Debentures of Rs.10 each** | - | **74.71** |
| **Other related parties** | | |
| IMS Benelux Holdings Co-operative U.A. | - | 74.71 |
| | | |
| **Interest expense on 10 % Compulsory Convertible Debentures of Rs.10 each** | - | **21.34** |
| **Holding Company** | | |
| Berggruen Investments, Mauritius | - | 21.34 |
| | | |
| **Interest income** | **33.66** | **119.94** |
| **Fellow subsidiaries** | | |
| Iora Hotels Private Limited | 33.66 | - |
| **Other related parties** | | |
| Berggruen Properties Private Limited | - | 119.94 |
| | | |
| **Loan Given** | **2,100** | - |
| **Fellow subsidiaries** | | |
| Iora Hotels Private Limited | 2,100 | - |
| | | |
| **Repayment received of loans and advances given** | **2,100** | **109.00** |
| **Fellow subsidiaries** | | |
| Iora Hotels Private Limited | 2,100 | - |
| **Other related parties** | | |
| Berggruen Estate Projects Private Limited | - | 25.00 |
| Gemini Equipments and Rentals Private Limited | - | 84.00 |
| | | |
| | | |
| **Remuneration to directors** | **100.59** | **184.72** |
| **Key managerial personnel** | | |
| Anshu Sarin | 91.48 | 158.11 |
| Shree Krishan Sharma | - | 22.96 |
| Anish Arora | 7.98 | 1.81 |
| Mohit Arora | 1.13 | 0.89 |
| Pratik Jagdish Sawant | - | 0.95 |
| | | |

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| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Reimbursement of expenses paid on behalf of Company** | **31.10** | - |
| **Ultimate Holding Company** | | |
| Lemon Tree Hotels Limited | 1.39 | - |
| **Holding company** | | |
| Fleur Hotels Private Limited | 29.71 | - |
| | | |
| | | |
| **Reimbursement of expenses paid on behalf of party** | | |
| **Holding company** | | |
| Fleur Hotels Private Limited | - | 0.11 |
| | | |
| **Loan Taken** | | |
| **Holding company** | | |
| Fleur Hotels Private Limited | **340.00** | **57.00** |
| | | |
| **Repayment of Loan Taken** | | |
| **Holding company** | | |
| Fleur Hotels Private Limited | **57.00** | - |
| | | |
| **Amount Received** | | |
| **Fellow Subsidiary** | | |
| Inovoa Hotels & Resorts Limited | **0.52** | - |
| | | |
| **Amount Paid** | | |
| **Fellow Subsidiary** | | |
| Inovoa Hotels & Resorts Limited | **0.08** | - |
| | | |
| **Management Fees (Net of Taxes)** | | |
| **Ultimate Holding company** | | |
| Lemon Tree Hotels Limited | **161.00** | **272.80** |
| | | |
| **Sale of Management contracts(Gross)** | | |
| **Fellow subisdiary company** | | |
| Carnation Hotels Private Limited | - | **2,242** |
| | | |
| **Sale of Brand (Gross)** | | |
| **Ultimate Holding company** | | |
| Lemon Tree Hotels Limited | - | **112.00** |
| | | |
| **(B) Balances outstanding at year end** | | |
| | | |
| **Other payables** | **466.76** | **273.05** |
| **Ultimate Holding Company** | | |
| Lemon Tree Hotels Limited | 466.76 | 272.80 |

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| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Holding company** | | |
| Fleur Hotels Private Limited | - | 0.11 |
| | | |
| **Other related parties** | | |
| Anish Arora | - | 0.14 |
| | | |
| | | |
| **Loan taken from related party** | **340.00** | **57.00** |
| **Holding company** | | |
| Fleur Hotels Private Limited | 340.00 | 57.00 |
| | | |
| **Amount recoverable** | | |
| **Ulimate Holding Company** | - | **2,354.00** |
| Lemon Tree Hotels Limited | - | 112.00 |
| **Fellow Subsidiary** | | |
| Carnation Hotels Private Limited | - | 2,242.00 |

### 33. Fair value measurement

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument.

#### a. Financial Assets

*Rs in lakhs*

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| **Financial Assets** | | | | |
| Trade Receivables | - | 350.28 | - | 2,594.91 |
| Loans | | 674.97 | | 704.40 |
| Other bank balances | - | 373.04 | - | 388.74 |
| Cash and Cash Equivalents | - | 626.97 | - | 648.28 |
| Other financial assets | - | 230.32 | - | 268.78 |
| **Total Financial Assets** | - | **2,255.58** | - | **4,605.11** |

#### b. Financial Liabilities

*Rs in lakhs*

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| Borrowings | - | 11,305.86 | - | 11,761.14 |
| Trade Payables | - | 966.14 | - | 748.5 |
| Other Current Financial Liabilities | - | 3,049.01 | - | 3,546.22 |
| **Total Financial Liabilities** | - | **15,321.01** | - | **16,055.86** |

### c. Fair value measurement hierarchy for assets and liabilities

**Fair value measurement**

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

**i) Level 1**

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**ii) Level 2**

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

**iii) Level 3**

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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### 34. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

**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 long-term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

*Rs. In lakhs*

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Variable rate borrowings | 11,305.86 | 11,761.14 |
| Fixed rate borrowings | - | - |

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| **Particulars** | **Increase/decrease in basis points** | **Effect on profit before tax** |
|---|---|---|
| | | *Rs. In lakhs* |
| **March 31, 2021** | | |
| Rs | 50 | 58.40 |
| Rs | -50 | (58.40) |
| **March 31, 2020** | | |
| Rs | 50 | 66.87 |
| Rs | -50 | (66.87) |

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

**(a) Trade receivables**

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

*Rs. in lakhs*

| Ageing | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Not due | | |
| 0-60 days past due | 154.55 | 2,594.91 |
| 61-120 days past due | 35.65 | - |
| 121-180 days past due | 9.83 | - |
| 180-365 days past due | 4.20 | - |
| 365-730 days past due | 146.05 | - |
| more than 730 days | - | - |

**Provision for doubtful debts (including provision for expected credit loss)**

*Rs. in lakhs*

| Ageing | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Not due | - | - |
| 0-60 days past due | - | - |
| 61-120 days past due | - | - |
| 121-180 days past due | - | - |
| 180-365 days past due | - | - |
| more than 365 days | 1,220.24 | 1,224.20 |

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

**Reconciliation of provision for doubtful debts – Trade receivables (including provision for expected credit loss)**

*Rs. in lakhs*

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Provision at beginning** | 1,224.20 | 77.42 |
| Addition during the year | - | 1,146.78 |
| Reversal during the year | 3.96 | - |
| Utilised during the year | - | - |
| **Provision at closing** | 1,220.24 | 1,224.20 |

**(b) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amount as illustrated in Note 9

**Liquidity risk**

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. There are no undrawn borrowing facilities at the end of the reporting periods.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

*Rs in lakhs*

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| **Year ended March 31, 2021** | | | | | | |
| Borrowings | 1,820.96 | 569.70 | 2,756.56 | 6,158.63 | - | 11,305.85 |
| Trade and other payables | 966.14 | - | - | - | - | 966.14 |
| Financial Liabilities | 3,049.01 | - | - | - | - | 3,049.01 |
| | **5,836.11** | **569.70** | **2,756.56** | **6,158.63** | - | **15,321.00** |
| **Year ended March 31, 2020** | | | | | | |
| Borrowings(excluding debentures) | 1,372.85 | - | - | 1,309.22 | 9,079.07 | 11,761.14 |
| Trade and other payables | 748.50 | - | - | - | - | 748.50 |
| Other dues of other creditors | 3,546.22 | - | - | - | - | 3,546.22 |
| | **5,667.56** | - | - | **1,309.22** | **9,079.07** | **16,055.86** |

The table provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 as on undiscounted basis.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Minimum Lease Payments :** | | |
| Not later than one year | 383.28 | 422.52 |
| Later than one year but not later than five years | 1,667.43 | 1,630.12 |
| Later than five years | 4,094.53 | 4,535.12 |
| **Total** | **6,145.23** | **6,587.76** |

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## 35. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade less cash and cash equivalents.

*Rs in lakhs*

| | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| Borrowings (Note 17) | 11,305.86 | 11,761.14 |
| Trade payables (Note 17) | 966.14 | 748.50 |
| Less: cash and cash equivalents (Note 9) | 626.97 | 648.30 |
| **Net debt** | **11,645.03** | **11,861.34** |
| | | |
| Total capital (Note14A & 14B) | 33,151.10 | 33,885.96 |
| **Capital and net debt** | 44,796.13 | 45,747.30 |
| Gearing ratio | **26.00%** | **25.93%** |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and 31 March 2020.

36. The Company has considered possible effects that may result from the pandemic relating to COVID 19 and has made detailed assessment of its going concern assumption, liquidity position for next one year and believes that they can meet all their obligations with the support of the parent company. Also, the parent Company confirms that they will provide unconditional and irrevocable financial support by way of continuous investment in the Company in the form of equity investment and unsecured loan, as and when required. In view of the above, these accounts have been prepared on a going concern basis.

37. During the previous year, the Company received legal notices from its ex-employees demanding carried interest payable to them based on the services rendered by these employees in the past. The Company vide settlement letters dated 6 September 2019 settled the demand raised by these employees by paying Rs. 85 lacs towards full and final settlement.

## 38. Segment Reporting

The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 – "Operating Segments".

### Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – "Operating Segments".

### Information about major customers

No customer individually accounted for more than 10% of the revenue

## 39. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

*Rs. in lakhs*

| | March 31, 2021 | March31, 2020 |
|---|---|---|
| | | |
| the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | 7.15 | Nil |
| | | |
| the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | Nil | Nil |
| | | |
| 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 Micro Small and Medium Enterprise Development Act, 2006. | Nil | Nil |
| | | |
| the amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| | | |
| the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | Nil | Nil |

**40.** The previous year figures have been regrouped, rearranged and reclassified wherever necessary to conform to this year's classification.

As per our report of even date

**For Nangia & Co. LLP**
ICAI FRN 002391C/N500069
Chartered Accountants

**For and on behalf of the Board of Directors of Bergrruen Hotels Private Limited**

Prateek Agrawal

**Prateek Agrawal**
Partner
Membership No. 402826

**JAGDISH KUMAR CHAWLA**
Director
DIN: 00003022

**Anshu Sarin**
Whole Time Director & CEO
DIN: 07101558

**Anish Arora**
Chief Financial Officer

**Sonali Manchanda**
Company Secretary

Place : New Delhi
Date : 14th June, 2021

Place :New Delhi
Date : 14th June, 2021