



APAS & CO LLP
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CANARY HOTELS PRIVATE LIMITED

Report on the Audit of IND AS Financial Statements

Opinion

We have audited the accompanying IND AS financial statements of **CANARY HOTELS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the IND AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS 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 March 31, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the IND AS financial statements under the provisions of the Companies Act, 2013 and the Rules issued there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors/ management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

Head Office: "Krishna Ranjan" B-35/5, 2nd Floor, Shailendra Nagar, Raipur (C.G.), Tel/Fax – 4032292, 2226673



In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the IND AS financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 IND AS financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the IND AS 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.

The Board of Directors/Management are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the IND AS financial Statements

Our objectives are to obtain reasonable assurance about whether the IND AS 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 IND AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the IND AS 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.



2. Obtain an understanding of internal controls 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 IND AS 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.
5. Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

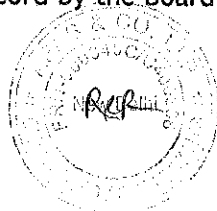
Materiality is the magnitude of misstatements in the interim condensed standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Section 143 (3) of the Act, based on our audit we report that:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. The Balance Sheet, the Statement of Profit and Loss (including the Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - iv. In our opinion, the aforesaid IND AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - v. On the basis of the written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is



disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- vi. In view of notification of ministry of corporate affairs dated 13th June 2017, read with notification no. GSR 464E) dated 5th June 2015, clause (i) of section 143(3) of the Companies Act in respect of internal financial controls is not applicable to the Company during the year.
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, according to the explanations given to us, no managerial remuneration has been paid by the Company to its directors during the year, therefore the provisions of the section are not applicable.
- viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note 27 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has neither declared dividend nor paid any dividend during the year.



2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

For APAS & CO LLP
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C/C400308

PLACE : NEW DELHI
DATED : May 25, 2022
UDIN : 22535395AKOKDQ1273



Rajeev Ranjan
(RAJEEV RANJAN)
PARTNER
M No. 535395

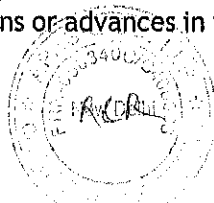
ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.
 - b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
 - d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - e) Based on audit procedures performed and the representation obtained from the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification.
 - b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. The Company, during the year, has not made investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured,



to companies, firms, limited liability partnerships or any other parties Therefore, the provisions of clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.

- iv. The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. To the best of our knowledge and as explained, the central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.
- vii. a) As per information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues with the appropriate authorities. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned 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 statutory dues referred to in sub-clause (a) as on the balance sheet date which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and on the basis of information and explanations given to us by the management, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have, prima facie, been used for long-term purposes by the company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, The Company does not



have any subsidiaries, joint ventures or associate companies and therefore the clause 3(ix)(e) and 3(ix)(f) is not applicable.

- x. a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company and hence not commented upon.
- b) The company has made preferential allotment of equity shares to the Holding Company in compliance with the provisions of Section 42 and 62 of Companies Act 2013 during the year under review. However, the Company has not issued fully or partly or optionally convertible debentures under the provisions of Section 42 and 62 of Companies Act 2013 during the year under review.
- xi. a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and no material fraud on the Company has been noticed or reported during the year.
- b) We report that no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi company and therefore clause 3(xii) of the Order related to such companies is not applicable to the Company.
- xiii. All transactions entered during the year with the related party are in compliance with the provisions of sections 188 where applicable and the details with respect to all related party transactions have been disclosed in the Financial Statements as required by applicable accounting standards. Section 177 of the Companies Act, 2013 is not applicable on the Company.
- xiv. a) According to the information and explanations given to us, the Company is not required to appoint Internal Auditors under Section 138 of the Act during the year under review. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, in determining the nature, timing and extent of our audit procedures.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. a) In our opinion, in view of its business activities, the Company is not required to be registered under Section 45IA of Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.



- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. The Company is not required to spend any amount on corporate social responsibility under section 135 of the Companies Act. Therefore, the provisions of clause 3(xx) of the Order are not applicable.
- xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report

**For APAS & CO LLP
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C/C400308**

**PLACE : NEW DELHI
DATED : May 25, 2022
UDIN : 22535395AKOKDQ1273**



Rajeev Ranjan
**(RAJEEV RANJAN)
PARTNER
M No. 535395**

Canary Hotels Private Limited
Balance Sheet as at March 31, 2022

	Note	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	4,363.28	4,414.06
(b) Intangible assets	4	0.20	1.31
(i) Other non current financial assets	5	35.67	35.36
(d) Deferred tax assets (net)	6	-	-
(e) Non-current tax assets (net)		3.15	16.90
		<u>4,402.30</u>	<u>4,467.63</u>
Current assets			
(a) Inventories	7	30.01	22.30
(b) Financial assets	8		
(i) Trade receivables		17.70	19.02
(ii) Cash and Cash equivalents		56.14	24.37
(c) Other current assets	9	61.51	243.28
		<u>165.36</u>	<u>308.97</u>
Total Assets		<u>4,567.66</u>	<u>4,776.60</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	5,009.45	3,609.45
(b) Other Equity	11	(1,932.43)	(1,606.86)
Total Equity		<u>3,077.02</u>	<u>2,002.59</u>
Liabilities			
Non-current liabilities			
(a) Financial liabilities	12		
(i) Borrowings		1,195.62	2,450.54
(b) Provisions	13	9.82	8.29
		<u>1,205.44</u>	<u>2,458.83</u>
Current liabilities			
(a) Financial liabilities	14		
(i) Borrowings		91.91	16.94
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		23.17	14.21
- total outstanding dues of creditors other than micro enterprises and		79.30	181.85
(iii) Other current financial liabilities		31.30	65.30
(b) Other current liabilities	15	52.12	31.15
(c) Provisions	13	7.40	5.73
		<u>285.20</u>	<u>315.18</u>
Total Liabilities		<u>1,490.64</u>	<u>2,774.01</u>
Total Equity and Liabilities		<u>4,567.66</u>	<u>4,776.60</u>

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For APAS & CO LLP
Firm Regn No. 000340C/C400308
Chartered Accountants

Rajeev Ranjan

Rajeev Ranjan
Partner
Membership No. 535395



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

Rajeev Janyafa
Director
DIN: 07334001

Rajesh Kumar
Whole Time Director
DIN: 05251730

Place : New Delhi
Date : May 25, 2022

Nikhil Sethi
Company Secretary
Mem. no. A18883

Nitin Sharma
Chief Financial Officer

Canary Hotels Private Limited
Statement of Profit and Loss for the year ended March 31, 2022

	Note	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
Revenue from operations	16	553.90	399.60
Other income	17	5.59	-
Total Income		559.49	399.60
Expenses			
Cost of food and beverages consumed	18	78.08	43.98
Employee benefits expense	19	198.77	133.44
Other expenses	20	336.13	232.28
Total expenses		612.98	409.70
Loss before interest, tax, depreciation and amortisation (EBITDA)		(53.49)	(10.10)
Finance costs	21	210.34	210.80
Depreciation and amortization expense	22	63.31	71.00
Finance Income	23	(2.09)	(0.53)
Loss before tax		(325.05)	(291.37)
Remeasurements of defined benefit plans		(0.52)	0.28
Total Comprehensive Loss for the year		(325.57)	(291.09)
Earnings per equity share			
(1) Basic	24	(0.09)	(0.08)
(2) Diluted	24	(0.09)	(0.08)

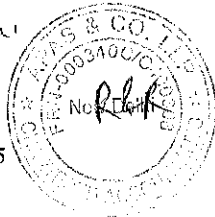
Summary of significant accounting policies 2.2

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As per our report of even date

For APAS & CO LLP
 Firm Regn No. 000340C/C400308
 Chartered Accountants

Rajeev Ranjan
Rajeev Ranjan
 Partner
 Membership No. 535395



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

Rajeev Janveja
Rajeev Janveja
 Director
 DIN: 07334001

Rajesh Kumar
Rajesh Kumar
 Whole Time Director
 DIN: 05251730

Nikhil Sethi
Nikhil Sethi
 Company Secretary
 Mem. no. - A18883

Nitin Sharma
Nitin Sharma
 Chief Financial Officer

Place : New Delhi
 Date : May 25, 2022

Canary Hotels Private Limited
Statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 1 each issued, subscribed and fully paid
 At April 1, 2020
 Issue of share capital
 At March 31, 2021
 Issue of share capital
 At March 31, 2022

No. of shares	Amount (Rs in lakhs)
34,59,45,400	3,459.45
1,50,00,000	150.00
36,09,45,400	3,609.45
14,00,00,000	1,400.00
50,09,45,400	5,009.45

B. Other Equity

For the period ended March 31, 2022

Rs in lakhs

	Reserves and Surplus			Other equity
	Capital reserve	Securities Premium	Retained Earnings	
Balance at April 1, 2020	11.45	584.54	(1,911.76)	(1,315.77)
Total comprehensive loss for the year	-	-	(291.09)	(291.09)
Balance at March 31, 2021	11.45	584.54	(2,202.85)	(1,606.86)
Total comprehensive loss for the year	-	-	(325.57)	(325.57)
Balance at March 31, 2022	11.45	584.54	(2,528.42)	(1,932.43)

Summary of significant accounting policies

2.2

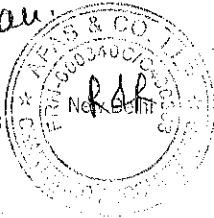
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For APAS & CO LLP
 Firm Regn No. 000340C/C400308
 Chartered Accountants

Rajeev Ranjan

Rajeev Ranjan
 Partner
 Membership No. 535395



Place : New Delhi
 Date : May 25, 2022

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

Rajeev Janveja
Rajeev Janveja
 Director
 DIN: 07334001

Nikhil Sethi
Nikhil Sethi
 Company Secretary
 Mem. no. - A18883

Rajesh Kumar
Rajesh Kumar
 Whole Time Director
 DIN: 05251730

Nitin Sharma
Nitin Sharma
 Chief Financial Officer

Canary Hotels Private Limited
Cash flow statement for the year ended March 31, 2022

	For the year ended March 31, 2022 (Rs. in lakhs)	For the year ended March 31, 2021 (Rs. in lakhs)
A. Cash flow from operating activities		
Loss before tax	(325.05)	(291.37)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	63.31	71.00
Finance income (including fair value change in financial instruments)	(0.21)	(0.02)
Finance costs (including fair value change in financial instruments)	207.24	209.22
Provision for gratuity	1.52	1.42
Provision for leave encashment	1.16	0.44
Excess provision/ credit balances written back	(4.90)	-
Provision for doubtful debts	0.40	-
Operating profit before working capital changes:	(51.63)	(9.31)
Movements in working capital:		
Change in trade receivables	0.92	34.49
Change in loans and advances and other current assets	181.45	(148.95)
Change in inventories	(12.61)	4.51
Change in liabilities and provisions	(101.70)	(107.23)
Cash Generated from Operations	16.43	(226.49)
Direct taxes paid (net of refunds)	13.75	11.79
Net cash flow from operating activities (A)	30.18	(214.70)
B. Cash flows used in investing activities		
Purchase of property, plant and equipment	(11.42)	-
Interest received	0.21	0.02
Net Cash flow used in investing activities (B)	(11.21)	0.02
C. Cash flows from financing activities		
Proceeds from issuance of share capital	1,400.00	150.00
Proceeds from long term borrowings	-	422.00
Repayment of long term borrowings	(1,104.54)	(418.59)
Repayment of short term borrowings	(75.41)	129.50
Interest paid	(207.24)	(127.89)
Net Cash from financing activities (C)	12.81	155.02
Net increase/(decrease) in cash and cash equivalents (A + B + C)	31.78	(59.66)
Cash and cash equivalents at the beginning of the year	24.37	84.03
Cash and cash equivalents at the end of the year	56.15	24.37
Components of cash and cash equivalents		
Cash on Hand	6.12	5.04
Balances with Scheduled Banks in - Current accounts	50.02	19.33
Total cash and cash equivalents	56.14	24.37

Summary of significant accounting policies

2.2

As per our report of even date

For APAS & CO LLP
Firm Regn No. 000340C/C400308
Chartered Accountants

Rajeev Ranjan
Rajeev Ranjan
Partner
Membership No. 535395



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

Rajeev Janveja
Rajeev Janveja
Director
DIN: 07334001

Rajesh Kumar
Rajesh Kumar
Whole Time Director
DIN: 05251730

Place : New Delhi
Date : May 25, 2022

Nikhil Sethi
Nikhil Sethi
Chief Financial Officer

Nikhil Sethi
Nikhil Sethi
Company Secretary
Mem. no. A18883

Canary Hotels Private Limited

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

1. Corporate Information

Canary 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 at Asset no. 6, Aerocity hospitality district, new delhi-110037.

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

The financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2022.

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, 2015.

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/ amortised cost.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing account standard required a change to the accounting policy hitherto to in use.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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



Canary Hotels Private Limited

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Canary Hotels Private Limited

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

The Company classifies all other liabilities as non-current.

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 realisation 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 recognised 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 recognised in OCI or profit or loss are also recognised 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.



Canary Hotels Private Limited

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 summarises 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 25)
- Contingent consideration (note 27)
- Quantitative disclosures of fair value measurement hierarchy (note 29)
- Financial instruments (including those carried at amortised cost) (note 29)



(d) Revenue recognition

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) 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(GST) and Luxury Tax. Shortfall 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 recognised 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/GST.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, 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.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.



(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 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised 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 liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



Canary Hotels Private Limited

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(f) Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

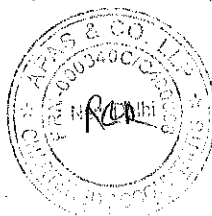
The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Fixed Assets	Useful life considered (SLM)
Plant & Machinery	15 Years
Building	60 Years
Electrical fittings	10 Years
Electrical Equipment's	10 Years
Office Equipment's	5 Years
Furniture and Fixtures	10 Years
Commercial Vehicles	6 Years
Private Vehicles	8 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.



Canary Hotels Private Limited

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

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. 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.

(h) Borrowing costs

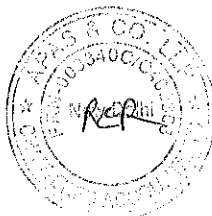
Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are 7ealizable7 as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount 7ealizable7 represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount 7ealizable7 is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

(i) Inventories

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net 7ealizable 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 7ealizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.



(j) 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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 recognised 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 or 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.

(k) Provisions

General

Provisions are recognised 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 recognised 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.



Canary Hotels Private Limited

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

If the effect of the time value of money is material, provisions are discounted using a current 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 recognised as a finance cost.

(l) 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.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

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 recognised 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

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

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. Remeasurement 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.



(m) 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.

Financial assets

Initial recognition and measurement

All financial assets are recognised 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 recognised 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 amortised 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 amortised cost

A debt instrument is measured at the amortised 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.

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 recognised 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.



Canary Hotels Private Limited

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

Debt instrument at FVTPL

VTPL 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 designated compulsory redeemable preference shares investments in its subsidiaries at FVTPL. The difference between the transaction amount and amortized cost is considered as 'deemed investment in compulsory redeemable preference shares'.

Debt 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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:



Canary Hotels Private Limited

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

- a) Financial assets that are debt instruments, and are measured at amortised 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) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises 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 recognising 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.

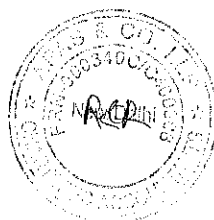
ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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.

Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.



Canary Hotels Private Limited

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

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.

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 recognised 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 recognised 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 recognised 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 amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 12.



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

Derecognition

A financial liability is derecognised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(n) Redeemable preference shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(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.

(p) Segment reporting policies

Identification of segments

The management of the Company reviews the specific performance of its respective hotel properties. However, since all hotels have similarity in terms of products and services, customer classes, method of providing services and the regulatory environment, the individual hotels qualify for aggregation. Thus, the management has considered aggregating all the hotels as one reportable operating segment. Accordingly, the figures appearing in these financial statements relate to the Company's single operating segment.

(q) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs, and tax expense.



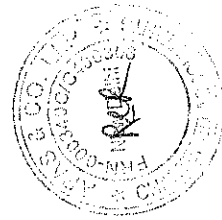
Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

3 Property, plant and equipment										Rs. in Lakhs
Particulars	Freehold land	Building on freehold land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Computers	Vehicles	Total
Cost										
At April 1, 2020	2,824.56	1,611.50	379.93	97.73	26.15	2.06	42.37	6.38	23.76	5,014.44
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2021	2,824.56	1,611.50	379.93	97.73	26.15	2.06	42.37	6.38	23.76	5,014.44
Additions	-	5.07	-	-	4.03	1.57	-	0.75	-	11.42
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	2,824.56	1,616.57	379.93	97.73	30.18	3.63	42.37	7.13	23.76	5,025.86
Depreciation										
At April 1, 2020	-	151.32	214.03	95.88	20.55	1.31	25.87	3.70	18.09	530.75
Charge for the year	-	29.02	35.96	0.05	0.46	0.11	1.46	0.37	2.20	69.63
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2021	-	180.34	249.99	95.93	21.01	1.42	27.33	4.07	20.29	600.38
Charge for the year	-	29.02	28.32	0.05	0.49	0.17	1.44	0.51	2.20	62.20
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	-	209.36	278.31	95.98	21.50	1.59	28.77	4.58	22.49	662.58
Net Book value										
At March 31, 2022	2,824.56	1,407.21	101.62	1.75	8.68	2.04	13.59	2.55	1.27	4,363.28
At March 31, 2021	2,824.56	1,431.16	129.94	1.80	5.14	0.64	15.04	2.31	3.47	4,414.06

Net book value

	As at	As at
	March 31, 2022	March 31, 2021
Plant, property and equipment	4,363.28	4,414.06

a) The property, plant and equipment are valued at cost. The company has not used registered valuer for fair valuation/revaluation.



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

4 Intangible Assets

Rs in lakhs

Particulars	Software	Total
Cost		
At April 1, 2020	4.77	4.77
Additions	-	-
Disposals	-	-
At March 31, 2021	4.77	4.77
Additions	-	-
Disposals	-	-
At March 31, 2022	4.77	4.77
Amortisation		
At April 1, 2020	2.09	2.09
Amortisation	1.37	1.37
Disposals	-	-
At March 31, 2021	3.46	3.46
Amortisation	1.11	1.11
Disposals	-	-
At March 31, 2022	4.57	4.57
Net Block		
At March 31, 2022	0.20	0.20
At March 31, 2021	1.31	1.31

Note:

a) The Intangible assets are valued at cost. The company has not revalued these assets during the year.



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

5 Financial assets

	As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
(i) Other non current financial assets		
Security Deposits	35.36	35.36
Non current bank balances	0.10	-
Interest accrued on deposits with banks and others	0.21	-
	35.67	35.36

6 Deferred tax assets (net)

	As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for financial year	246.43	243.92
Deferred tax liability	246.43	243.92
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	3.81	3.04
Interest on Borrowings u/s 43B	25.22	25.22
Effect of unabsorbed depreciation and business loss	212.93	212.02
Provision for gratuity	3.44	2.90
Provision for leave compensation	1.03	0.74
Deferred tax asset	246.43	243.92
Deferred tax assets (net)	-	-

* Deferred tax asset on losses and credits has been recognized to the extent of Deferred tax liability.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

	March 31, 2022	March 31, 2021
Profit/(loss) before tax	(325.05)	(291.37)
Tax rate	26.00%	26.00%
Tax at statutory income tax rate	(84.51)	(75.76)
Unrecognized tax assets (net)	84.51	75.76
Net	-	-



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

7 Inventories (valued at lower of cost and net realisable value, unless otherwise stated)	As at	As at
	March 31, 2022	March 31, 2021
	Rs in lakhs	Rs in lakhs
Food and beverages (excluding liquor and wine)	6.48	3.31
Stores, cutlery, crockery, linen, provisions and others (valued at cost)	23.53	18.99
Total	30.01	22.30

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Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

8 Financial assets

	As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
(i) Trade receivables*		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	18.10	19.02
Unsecured, considered doubtful	-	-
	<u>18.10</u>	<u>19.02</u>
Less: Allowances for doubtful receivables	0.40	-
	<u>17.70</u>	<u>19.02</u>
Break-up for security details:		
Trade receivables		
Unsecured, considered good	18.10	19.02
*read with note 35(e)	<u>18.10</u>	<u>19.02</u>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The interest free credit period given to customers is upto 90 days.

	As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
(ii) Cash and cash equivalents		
Balance with banks		
On current accounts	50.02	19.33
Cash on hand	6.12	5.04
	<u>56.14</u>	<u>24.37</u>

Break up of current financial assets carried at amortised cost

	As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
Trade receivables*	17.70	19.02
Cash and cash equivalents	56.14	24.37
Total current financial assets carried at amortised cost	<u>73.84</u>	<u>43.39</u>

9 Other current assets

	As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
Advances recoverable in cash or kind		
- Employee Advance	-	0.10
- Others	10.93	172.84
Balance with statutory/ government authorities	43.41	59.87
Prepaid Expenses	7.17	10.47
Total	<u>61.51</u>	<u>243.28</u>



10 Share capital

Authorized Share Capital

	Equity shares		10% Redeemable Cumulative Preference Shares		5% Redeemable Non-Cumulative Preference Shares	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
At April 1, 2020	34,60,00,000	3,460.00	27,00,000	2,700.00	5,00,000	500.00
Increase during the year	32,00,00,000	3,200.00	(27,00,000)	(2,700.00)	(5,00,000)	(500.00)
At March 31, 2021	66,60,00,000	6,660.00	-	-	-	-
Increase/(decrease) during the year	-	-	-	-	-	-
At March 31, 2022	66,60,00,000	6,660.00	-	-	-	-

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital*

Equity shares of INR 1 each issued, subscribed and fully paid

	No. of shares	Rs in lakhs
At April 1, 2020	34,69,45,400	3,459.45
Increase/(decrease) during the year	1,50,00,000	150.00
At March 31, 2021	36,09,45,400	3,609.45
Increase/(decrease) during the year	14,00,00,000	1,400.00
At March 31, 2022	50,09,45,400	5,009.45

*read with note 35(a)

Shares held by holding company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
Equity shares of Rs. 1 each fully paid up Lemon Tree Hotels Limited	50,09,45,400	5,009.45	36,09,45,400	3,609.45

Details of shareholders holding more than 5% shares in the company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 1 each fully paid up Lemon Tree Hotels Limited	50,09,45,400	100.00%	36,09,45,400	100.00%

The Company has not issued Bonus Share, Share for consideration other than Cash and has not bought back shares during the period of five years immediately preceding the reporting date.



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

11 Other equity

Securities Premium

At April 1, 2020
 Increase/(decrease) during the year
 At March 31, 2021
 Increase/(decrease) during the year
 At March 31, 2022

Rs in lakhs
584.54
584.54
584.54

Retained Earnings

At April 1, 2020
 Profit/(loss) for the year
 At March 31, 2021
 Profit/(loss) for the year
 At March 31, 2022

Rs in lakhs
(1,911.70)
(291.09)
(2,202.85)
(325.57)
(2,528.42)

Capital Reserve (Equity Component of Redeemable Preference share)

At April 1, 2020
 Increase/(decrease) during the year
 At March 31, 2021
 Increase/(decrease) during the year
 At March 31, 2022

Rs in lakhs
11.45
11.45
11.45

Other reserves
 Securities Premium
 Retained Earnings
 Capital Reserve (Equity Component of Redeemable Preference share)

As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
584.54	584.54
(2,528.42)	(2,202.85)
11.45	11.45
(1,932.43)	(1,606.86)



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

12 Borrowings

	As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
Non-current borrowings		
Term Loans		
Rupee term loans from financial institutions		
Aditya Birla Finance Limited (Refer note 2 & 3 below)	1,195.62	2,450.54
Total non-current borrowings	<u>1,195.62</u>	<u>2,450.54</u>
Current borrowings		
Term Loans		
Current maturity of long term loans		
Vehicle loans (Refer note 1 below)	-	0.44
Total current borrowings	<u>-</u>	<u>0.44</u>
Less: Amount clubbed under "current borrowing"	-	(0.44)
Net current borrowings	<u>-</u>	<u>-</u>

Term loans

1) Vehicle loan from HDFC bank are generally repayable in 5 years from the date of sanction and are secured by Hypothecation of vehicles financed.

2) Term loan of Aditya Birla Finance Limited having sanctioned amount of Rs.2,350 lakhs is repayable in 44 Structured Quarterly Installments payable after moratorium period of 12 months from the date of first disbursement, presently having rate of interest of 8.90%(previously 9.70%) secured by:

First exclusive charge on all the immovable fixed assets(both current and future) of the Lemon Tree Hotel EDM, Kaushambi, New Delhi to provide minimum cover of 2.00x cover all the times during the tenure of loan, first exclusive charge on all the movable fixed assets(both current and future) of the Lemon Tree Hotel EDM, first exclusive charge on the escrow account of entire cash flow of Lemon Tree Hotel EDM, Unconditional & irrevocable Guarantee by Lemon Tree Hotels Limited, DPN

3) WCTL loan of Aditya Birla Finance Limited having sanctioned amount of Rs. 422 lakhs is repayable in 36 equal monthly Installments payable after moratorium period of 12 months from the date of first disbursement, presently having rate of interest of 8.90%(previously Nil) secured by:

(a) Second charge on all moveable and immovable fixed assets of the borrower both present and future.

(b) Second pari-passu charge on all current assets of the borrower both present and future.

4) The Company has not defaulted in the repayment of loans and interest at Balance Sheet date.

5) Bank loans availed by the Company are subject to certain covenants relating to interest coverage ratio, debt service coverage ratio, capital gearing ratio, fixed assets coverage ratio.

6) The Company has complied/ taken waiver for the covenants as per the terms of the loan agreement.

7) The company has used borrowings from banks/financial institutions for the specific purpose for which it was taken

8) Basis on several terms and conditions as specified in sanction letters, the company submits quarterly returns/statements of current assets with banks/ financial institution and these returns/statements are in agreement with the books of accounts.

13 Provisions

	As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
Provision for gratuity	13.21	11.17
Current	3.39	2.88
Non-current	9.82	8.29
Provision for leave benefits	4.01	2.85
Current	4.01	2.85
Non-current	-	-
Total current	<u>7.40</u>	<u>5.73</u>
Total non-current	<u>9.82</u>	<u>8.29</u>



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

14 Financial liabilities

(i) Borrowings

0% loan from Lemon Tree Hotels Limited repayable on demand
Current maturities of long-term borrowings

As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
91.91	16.50
-	0.44
91.91	16.94

(ii) Trade payables*

-Micro and small enterprises
-Other than Micro and small enterprises
*read with note 35(d)

As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
23.17	14.21
79.30	181.85
102.47	196.06

Trade payables
Trade payables to related parties

As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
86.11	116.18
16.37	79.88
102.47	196.06

(iii) Other current financial liabilities

Book overdraft
Outstanding dues of other creditors

As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
-	27.76
31.30	37.54
31.30	65.30

15 Other current liabilities

Advance from customers
Statutory Dues

As at March 31, 2022 Rs in lakhs	As at March 31, 2021 Rs in lakhs
45.44	26.86
6.68	4.29
52.12	31.15



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

16 Revenue from operations

	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
Sale of products and services		
- Room rental	302.22	228.51
- Food and beverage (excluding liquor and wine)	193.01	120.53
- Banquet rentals	39.16	30.51
- Telephone and telex	0.02	0.15
- Other Services	19.49	19.90
Revenue from operations	553.90	399.60

17 Other income

	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
Excess provision/ credit balances written back	4.90	-
Miscellaneous income	0.69	-
Total	5.59	-

18 Cost of food and beverages consumed

	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
(a) Consumption of food & beverages excluding liquor & wine		
Inventory at the beginning of the year	3.30	9.45
Add: Purchases	81.26	37.83
	84.56	47.28
Less: Inventory at the end of the year	6.48	3.30
Cost of food and beverage consumed	78.08	43.98

19 Employee benefit expense

	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
Salaries, wages and bonus	176.32	116.19
Contribution to provident fund and other funds	11.13	9.44
Gratuity expense	1.92	1.60
Leave compensation expenses	1.47	0.64
Staff welfare expenses	7.93	5.57
	198.77	133.44

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Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

20 Other expenses

	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	11.77	4.95
Power and fuel	102.52	65.27
Linen & uniform washing and laundry expenses	5.42	2.81
Guest transportation	7.73	5.42
Subscription charges	3.11	1.99
Repair and maintenance		
- Buildings	16.99	19.08
- Plant and machinery	32.29	17.44
- Others	4.25	1.22
Rates and taxes	56.11	42.95
Insurance	3.26	2.02
Communication costs	5.55	5.36
Printing and stationery	2.56	1.37
Traveling and conveyance	1.86	1.97
Advertisement and business promotion	0.16	0.01
Management fees	20.69	15.09
Commission -other than sole selling agent	22.80	12.56
Security and cleaning expenses	6.69	3.86
Legal and professional fees	10.34	10.24
Provision for doubtful debts and advances	0.40	-
Payment to auditor	0.70	0.70
Miscellaneous expenses	20.93	17.95
	336.13	232.28
Payment to auditor		
As auditor	0.70	0.70
For other services	-	-
	0.70	0.70

21 Finance Costs

	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
Interest		
- on term loans from banks	207.24	209.03
- on vehicle loans	0.01	0.19
Bank charges (including commission on credit card collection)	3.09	1.58
	210.34	210.80

22 Depreciation and amortization expense

	March 31, 2022 Rs in lakhs	March 31, 2021 Rs in lakhs
Depreciation of tangible assets	62.20	69.63
Amortization of intangible assets	1.11	1.37
	63.31	71.00

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Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

23 Finance Income

Interest Income on :
 -Bank Deposits
 - Interest on income tax refund

	March 31, 2022	March 31, 2021
	Rs in lakhs	Rs in lakhs
	0.21	0.02
	1.88	0.52
	2.09	0.53

24 Earnings Per Share (Basic And Diluted)

Basic EPS amounts are calculated by dividing the (loss)/profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

	March 31, 2022	March 31, 2021
Profit/(loss) attributable to equity holders (for basic and diluted) (Rs in lakhs)	(325.05)	(291.37)
Weighted Average Number of Equity Shares (for basic and diluted)*	36,36,30,332	34,62,33,071
Basic & Diluted EPS	(0.09)	(0.08)

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

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25. 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, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) 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:

<u>Particulars</u>	<u>As at March 31, 2022</u>
Discount Rate (<i>pre tax rate of WACC</i>)	12.00%
Long Term Growth Rate	5.00%

As at March 31, 2022, 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.

b) 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, 2022 is considered adequate.

c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



Canary Hotels Private Limited

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

- d) Management believes that it has taken into account all the possible impact of known events arising from COVID- 19 pandemic in the preparation of above financial results. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict. 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.



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

26. Gratuity and other post-employment benefit plans

		<i>Rs in lakhs</i>
	March 31, 2022	March 31, 2021
Gratuity plan	13.21	11.17
Total	13.21	11.17

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.



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2022:

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income					Rs in lakhs	
	April 1, 2021	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
Defined benefit obligation	11.17	1.29	0.63	1.92	(0.40)	-	-	(0.16)	0.69	0.52	-	13.21
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	11.17	1.29	0.63	1.92	(0.40)	-	-	(0.16)	0.69	0.52	-	13.21

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

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income					Rs in lakhs	
	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
Defined benefit obligation	10.03	1.11	0.49	1.60	(0.18)	-	-	-	(0.28)	(0.28)	-	11.17
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	10.03	1.11	0.49	1.60	(0.18)	-	-	-	(0.28)	(0.28)	-	11.17



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

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

	March 31, 2022	March 31, 2021
Unquoted investments:		
Asset invested in insurance scheme with the LIC	-	-
Total	-	-

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

	March 31, 2022	March 31, 2021
Discount rate:	%	%
Pension plan	6.00%	5.60%
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, 2022 is as shown below:

India gratuity plan:

Assumptions	March 31, 2022		March 31, 2022	
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.39)	0.87	0.42	(0.40)

Rs in lakhs

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

Assumptions	March 31, 2021		March 31, 2021	
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.35)	0.36	0.36	(0.35)

Rs in lakhs

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.



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

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

Duration (Years)	<i>Rs in lakhs</i>	
	For the year ended March 31, 2022	For the year ended March 31, 2021
1	3.49	2.88
2	2.78	2.25
3	2.29	1.82
4	1.77	1.50
5	1.38	1.16
Above 5	4.52	2.90
Total expected payments	16.23	12.51

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2021: 3.73 years).

27. Commitments and contingencies

a. Commitments

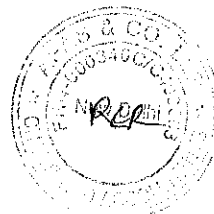
Estimated amount of contracts remaining to be executed on capital account and not provided for:

At March 31, 2022, the Company had NIL commitments (March 31, 2021: Rs NIL)

b. Contingent liabilities

Claims against the Company not acknowledged as debts

		<i>Rs in lakhs</i>	
		March 31, 2022	March 31, 2021
a.	Counter guarantees issued in respect of guarantees issued by company's bankers to a maximum amount & carrying amount	50.70	-
b.	<u>Claims against the Company not acknowledged as debt</u>		
	- Demand for VAT for 2009-10 under appeal	-	1.03
	- Demand for VAT for 2014-15 under appeal	-	6.87
	The Company's pending litigations above pertains to proceedings pending with VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.		



28. Related Party Transactions

a) Names of related parties where control exists irrespective of whether transactions have occurred,

Holding company	- Lemon Tree Hotels Limited
Fellow subsidiary companies	- Fleur Hotels Private Limited - Hyacinth Hotels Private Limited - Oriole Dr. Fresh Hotels Private Limited - Sukhsagar Complexes Private Limited
Enterprise in which holding company has significant influence	- Mind Leaders Learning India Private Limited
Key Management Personnel	- Mr. Rajesh Kumar (Whole Time Director) - Mr. Paramartha Saikia (Independent Director) - Mr. Cyrus Mehernosh Madan (Additional Director upto November 9, 2020) - Mr. Pushpinder Kumar (Additional Director w.e.f November 11, 2020 upto April 23, 2021) - Mr. Rajeev Janveja (Director w.e.f April 23, 2021)

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

Chief Financial Officer	: Mr. Nitin Sharma
Company Secretary	: Mr. Nikhil Sethi



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

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

Transactions with Related Party	Year Ended	Holding company	Fellow Subsidiary	Enterprise in which holding company has significant influence	Key Management Personal (Managing Director, Whole Time Director, Manager & other Key Managerial Personal)
Reimbursement of Expenses paid on behalf of the party					
Lemon Tree Hotels Limited	31-Mar-22	0.30	-	-	-
	31-Mar-21	0.20	-	-	-
Management Fees (cross charge) (Gross)					
Lemon Tree Hotels Limited	31-Mar-22	20.69	-	-	-
	31-Mar-21	19.23	-	-	-
Remuneration Paid					
Mr. Rajesh Kumar	31-Mar-22	-	-	-	40.11
	31-Mar-21	-	-	-	25.43
Mr. Nitin Sharma	31-Mar-22	-	-	-	24.51
	31-Mar-21	-	-	-	17.52
Loan Received					
Lemon Tree Hotels Limited	31-Mar-22	1,495.50	-	-	-
	31-Mar-21	442.50	-	-	-
Loan Repaid					
Lemon Tree Hotels Limited	31-Mar-22	1,420.00	-	-	-
	31-Mar-21	572.00	-	-	-
Guarantee received for loan availed					
Lemon Tree Hotels Limited	31-Mar-22	2,350.00	-	-	-
	31-Mar-21	2,350.00	-	-	-
Amount Received on behalf of the Party					



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

Transactions with Related Party	Year Ended	Holding company	Fellow Subsidiary	Enterprise in which holding company has significant influence	Key Management Personal(Managing Director, Whole Time Director, Manager & other Key Managerial Personal)
Fleur Hotels Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	-	0.73	-	-
Lemon Tree Hotels Limited	31-Mar-22	-	-	-	-
	31-Mar-21	0.54	-	-	-
Oriole Dr Fresh Hotels Private Limited	31-Mar-22	-	0.18	-	-
	31-Mar-21	-	2.02	-	-
Sukhsagar Complexes Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	-	0.14	-	-
Hyacinth Hotels Private Limited	31-Mar-22	-	1.94	-	-
	31-Mar-21	-	-	-	-
Amount paid on behalf of the Party					
Hyacinth Hotels Private Limited	31-Mar-22	-	0.17	-	-
	31-Mar-21	-	-	-	-
Fleur Hotels Private Limited	31-Mar-22	-	0.28	-	-
	31-Mar-21	-	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-22	-	0.21	-	-
	31-Mar-21	-	-	-	-
Balances outstanding at the year end- Other current liabilities					
Lemon Tree Hotels Limited	31-Mar-22	108.28	-	-	-
	31-Mar-21	96.38	-	-	-
Mr. Nitin Sharma	31-Mar-22	-	-	-	0.02
	31-Mar-21	-	-	-	-



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

Transactions with Related Party	Year Ended	Holding company	Fellow Subsidiary	Enterprise in which holding company has significant influence	Key Management Personal(Managing Director, Whole Time Director, Manager & other Key Managerial Personal)
Mr. Rajesh Kumar	31-Mar-22	-	-	-	1.73
	31-Mar-21	-	-	-	-
Mind Leaders Learning India Private Limited	31-Mar-22	-	-	1.96	-
	31-Mar-21	-	-	1.96	-

29. 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, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	17.70	-	19.02
Security Deposits (non-current)	-	35.36	-	35.36
Other bank balances	-	0.10	-	-
Cash and Cash Equivalents	-	56.14	-	24.37
Interest Accrued on deposits		0.21		-
Total Financial Assets	-	109.51	-	78.75



b. Financial Liabilities

Rs in lakhs

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Borrowings (Non-current)	-	1,195.62	-	2,450.54
Borrowings (Current)		91.91		16.94
Trade Payables	-	102.46	-	196.06
Other Current Financial Liabilities	-	31.30	-	65.30
Total Financial Liabilities		1,421.29		2,728.84

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.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:



Financial assets and liabilities measured at fair value

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets as FVTPL	-	-	-	-
Financial Liabilities as FVTPL	-	-	-	-

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets as FVTPL	-	-	-	-
Financial Liabilities as FVTPL	-	-	-	-

30. 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 is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

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, deposits and payables/receivables in foreign currencies.

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, 2022	March 31, 2021
Variable rate borrowings	1,195.62	2,450.54
Fixed rate borrowings	-	16.94



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:

	Increase/decrease in basis points	Effect on profit before tax
		<i>Rs in lakhs</i>
31-March-22		
Rs.	50	11.47
Rs.	-50	(11.47)
31-March-21		
Rs.	50	11.03
Rs.	-50	(11.03)

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. The Company has no exposure in foreign currency.

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 from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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 8. The Company does not hold collateral as security.

Ageing	<i>Rs in lakhs</i>	
	March 31, 2022	March 31, 2021
Not due	-	-
0-60 days past due	17.70	17.77
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
365-730 days past due	-	-
more than 730 days	-	0.85



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

Provision for doubtful debts

Ageing	<i>Rs. In Lakhs</i>	
	March 31, 2022	March 31, 2021
Not due	-	-
0-60 days past due	-	-
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
365-730 days past due	-	-
more than 730 days	-	-

	<i>Rs. In Lakhs</i>	
	March 31, 2022	March 31, 2021
Provision at beginning	-	-
Addition during the year	-	-
Reversal during the year	-	-
Utilised during the year	-	-
Provision at closing	-	-

Reconciliation of provision for doubtful debts - Loans and deposits

	March 31, 2022	March 31, 2021
Provision at beginning	-	-
Addition during the year	-	-
Reversal during the year	-	-
Utilised during the year	-	-
Provision at closing	-	-



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.

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

	<i>Rs in lakhs</i>					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
March 31, 2022						
Borrowings	91.91	-	-	346.50	849.12	1,287.53
Trade and other payables	102.46	-	-	-	-	102.46
Other dues of other creditors	31.30	-	-	-	-	31.30
	225.67	-	-	346.50	849.12	1,421.29
Year ended						
March 31, 2021						
Borrowings	16.50	0.44	-	1,329.50	1,121.04	2,467.48
Trade and other payables	196.06	-	-	-	-	196.06
Other dues of other creditors	65.30	-	-	-	-	65.30
	277.86	0.44	-	1,329.50	1,121.04	2,728.84



31. 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 payables, less cash and cash equivalents.

	March 31, 2022	<i>Rs in lakhs</i> March 31, 2021
Borrowings (Note 12 & 14)	1,287.53	2,467.48
Trade payables (Note 14)	102.46	196.06
Less: cash and cash equivalents (Note 8)	56.14	24.37
Net debt	1,333.85	2,639.17
Total capital	3,077.02	2,002.59
Capital and net debt	4,410.87	4,641.76
	30.23%	56.85%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

32. 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

The details of customer individually accounted for more than 10% of the revenue as at March 31, 2022 is given hereinbelow. Further, No customer accounted more than 10% of revenue in year ended March 31, 2021

Party	March 31, 2022
MAKE MY TRIP INDIA PVT. LTD.	70.93
IBIBO GROUP PVT LTD	58.16



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

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

	March 31, 2022	March 31, 2021
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	23.17	14.21
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

34. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

35. Supplementary information as per requirement of Schedule III of the Companies Act.

a) Detail of shareholding of promoters of the company

As at March 31, 2022

S.No.	Promoter Name	Number of shares at the beginning of the year 2021	% of total Share Capital	Change during the year*	Number of shares at the end of the year 2022	Percentage of Total shares	% change during the year
1	Lemon tree Hotels Limited	360,945,400	100%	140,000,000	500,945,400	100%	-



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

As at March 31, 2021

S.No	Promoter Name	Number of shares at the beginning of the year 2021	% of total Share Capital	Change during the year*	Number of shares at the end of the year 2021	Percentage of Total shares	% change during the year
1	Lemon Tree Hotels Limited	345,945,400	100%	15,000,000	360,945,400	100%	-

b) Ratio Analysis and its elements

S.No	Ratio	Numerator	Denominator	March 2022	March 2021	% Variance	Reason for variance
1	Current Ratio	current Asset	Current liabilities	0.58	0.98	(40.86%)	Decrease due to receipt of funds from debtors
2	Debt Equity Ratio	Total Debt	Shareholder equity	0.42	1.23	(66.04%)	Decrease is due to prepayments made by Company
3	Debt service coverage Ratio	Earnings available for debt service	debt service	(0.26)	(0.02)	(1380%)	Increase in losses as compared to previous year
4	Return on Equity	Net profit after taxes	Average shareholders equity	(12.80%)	(14.05%)	(8.94%)	-
5	Inventory Turnover Ratio	Cost of Good Sold	Average Inventory	2.99	1.79	66.67%	Increase in revenue has lead to increase inventory levels
6	Trade Receivable turnover Ratio	Net credit sales	Avg. accounts receivable	30.17	11.02	173.81%	Increase in revenue has lead to increase in average debtors
7	Trade Payables turnover Ratio	NA	NA	NA	NA	NA	-
8	Net capital Turnover Ratio	Net Sales	Working capital	(4.62)	(64.35)	(92.82%)	Increase in revenue as compared to previous year
9	Net Profit Ratio	Net Profit	Net sales	(58.7%)	(72.9%)	(19.52%)	Increase in revenue as compared to previous year
10	Return on capital employed	EBIT	Capital employed	(7.5%)	(6.5%)	14.75%	Increase in losses as compared to previous year
11	Return on investment	Income generated from investments(Fixed Deposits	Average invested funds in treasury investments	-	-	-	-



Canary Hotels Private Limited

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

- (i) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (ii) Debt Service = Interest & Lease Payments + Principal Repayments (excluding prepayments of year 2022-23, 2023-24, 2024-25)
- (iii) Capital Employed = Net worth+ Total Debt + Deferred Tax Liability - Net Intangible assets

c) Trade Receivables ageing schedule based on requirement of Schedule III:

As at March 31, 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	17.70	-	-	-	-	17.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

As at March 31, 2021

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	18.17	-	-	0.45	0.40	19.02
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

d) Trade payables Ageing Schedule based on the requirement of Schedule III

As at March 31, 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	23.17	-	-	-	23.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	62.41	1.93	4.37	10.43	79.14
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Unbilled Dues	0.16	-	-	-	0.16

As at March 31, 2021

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	14.21	-	-	-	14.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.7	44.71	4.55	7.77	181.80
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Unbilled Dues	0.05	-	-	-	0.05



e) **Other Statutory Information**

- (i). The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.
- (ii). The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (iii). The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property
- (iv). The company has not entered into any transaction with companies struck off.
- (v). The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi). The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii). During the year, the company has not entered into any scheme of arrangements in terms of section 230 to 237 of the Companies Act, 2013 and accordingly, the prescribed disclosures of Schedule III are not required to be given.
- (viii). The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix). The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act.
- (x). No bank has declared the company as "willful defaulter".
- (ix). The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.



Canary Hotels Private Limited
Notes to financial statements for the year ended March 31, 2022

36. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

As per our report of even date

For APAS & CO LLP
Firm Regn No. 000340C/C400308
Chartered Accountants

Rajeev Ranjan

Rajeev Ranjan
Partner
Membership No. 535395

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

Rajeev Janveja

Rajeev Janveja
Director
DIN: 07334001

Rajesh Kumar

Rajesh Kumar
Whole Time Director
DIN: 05251730

Place: New Delhi
Date: May 25, 2022



Nikhil Sethi
Nikhil Sethi
Company Secretary
Mem. no. - A18883

Nitin Sharma
Nitin Sharma
Chief Financial Officer