

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Iora Hotels Private Limited**

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

**Opinion**

We have audited the Ind AS financial statements of **Iora Hotels Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

Attention is invited to Note 24 of the financial statements which sets out the Company's assessment of impact of COVID-19 pandemic situation, the uncertainties associated therewith on its financial statements and going concern assumption. Based on these assessments, the management has concluded that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2021.

Our opinion is not modified in respect of this matter.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the Ind AS financial statements and our auditor's report thereon.



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

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

## **Responsibilities of Management 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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process

Those charged with governance are also 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



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- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2"
- (g) 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:

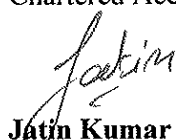
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has does not have any pending litigations which would impact its financial position;
  - 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

**For JDP & Associates**

Firm Registration No: 026828N

Chartered Accountants

  
**Jatin Kumar**

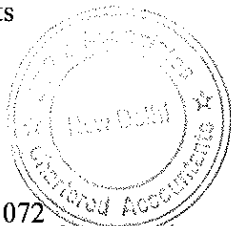
Partner

Membership No.: 531072

UDIN: 21531072.A.A.A.A.CD4554

Place: New Delhi

Date: June 10, 2021



# JDP & Associates

(Chartered Accountants)

**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**

**Re: Iora Hotels Private Limited (“the Company”)**

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) Considering the state of operations of the Company, where the Company has incurred the expenses towards the capital work in progress the provisions related to physical verification is not applicable.  
  
c) The company is holding the title deeds of immovable properties in its name.
- (ii) The Company does not have any inventory, thus reporting under clause 3(ii) is not applicable
- (iii) The Company has not granted any loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of, clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) The company has not made any loans, investments, guarantees, and securities during the year thus the provision of clause 3 (iv) is not applicable.
- (v) The Company has not accepted any deposits from the public in terms of directive issued by Reserve Bank of India and provision of section 73 to 76 of the Companies Act, 2013.
- (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) Undisputed statutory dues including provident fund, employee state insurance, labour welfare fund, income-tax, Goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions related to excise and customs duty are not applicable to the Company.  
  
b) According to information and explanation given to us, there are no undisputed amounts payable in respect of income tax, sales tax, Goods and service tax, duty of customs, , excise duty cess and other material statutory dues were outstanding for a period of more than six months from the date they become payable.  
  
c) According to information and explanation given to us there are no dues of Income tax, sales tax, Goods and service tax , duty of customs and cess which have not been deposited on account of dispute.



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(viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks.

The Company has not taken any loans or borrowings from financial institutions and government.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and there are no term loans outstanding during the year.

(x) To the best of our knowledge no fraud is committed by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) The managerial remuneration has been paid or provided during the year is in accordance with the requisite approval mandated by the provision of section 197 read with Schedule V to the Companies Act.

(xii) The company is not a Nidhi Company so Nidhi Rules, 2014 are not applicable to the company.

(xiii) All transactions with the related party are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by applicable accounting standards. Provision of section 177 is not applicable to the Company.

(xiv) The company has made an issue of fully paid up equity shares during the year under review and has complied with the requirements of section 42 and 62 of the Companies Act, 2013 and the amount has been used for the purpose for which the funds were raised.

(xv) The Company has not entered into any non-cash transaction with the director or person connected with director as required under section 192 of The Companies Act, 2013.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

**For JDP & Associates**

Firm Registration No: 026828N

Chartered Accountants



**Jatin Kumar**

Partner

Membership No.: 531072

UDIN: 21531072AAAA CD4584

Place: New Delhi

Date: June 10, 2021



# JDP & Associates

(Chartered Accountants)

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF IORA HOTELS PRIVATE LIMITED**

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

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

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

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



# JDP & Associates

(Chartered Accountants)

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For JDP & Associates**

Firm Registration No: 026828N

Chartered Accountants



**Jatin Kumar**

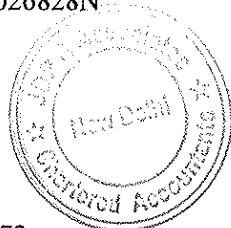
Partner

Membership No.: 531072

UDIN: 21531072 A A A A CD4554

Place: New Delhi

Date: June 10, 2021





Iora Hotels Private Limited  
Balance Sheet as at March 31, 2021

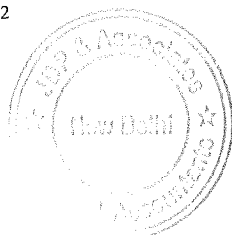
	Notes	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	20.92	24.85
Intangible assets	4	0.67	0.23
Right to use assets	5	13,925.96	14,847.94
Capital work-in-progress	6	24,213.40	18,596.10
Financial assets	7		
Other financial assets		2,684.03	2,346.96
Deferred tax assets (net)	8	-	-
Other non-current assets	9	203.15	15.23
		<u>41,048.13</u>	<u>35,831.31</u>
<b>Current assets</b>			
<b>Financial assets</b>			
(a) Cash and Cash equivalents		1.78	2.05
(b) Other financial assets		10.60	9.97
Other current assets	11	2.46	1.28
		<u>14.84</u>	<u>13.30</u>
<b>Total Assets</b>		<u><u>41,062.97</u></u>	<u><u>35,844.61</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	1,601.19	1,145.19
Other Equity	13	30,009.15	21,498.95
<b>Total Equity</b>		<u>31,610.34</u>	<u>22,644.14</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	14	8.39	11.01
(ii) Lease Liability	15	5,309.01	5,082.08
Provisions	16	4.55	3.64
		<u>5,321.95</u>	<u>5,096.73</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	17	3,618.11	7,469.99
(ii) Other financial liabilities		480.89	605.60
Other current liabilities	18	26.96	24.29
Provisions	16	4.72	3.86
		<u>4,130.68</u>	<u>8,103.74</u>
<b>Total Liabilities</b>		<u>9,452.63</u>	<u>13,200.47</u>
<b>Total Equity and Liabilities</b>		<u><u>41,062.97</u></u>	<u><u>35,844.61</u></u>

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For JDP & Associates  
Firm Registration No. 026828N  
Chartered Accountants

*Jatin*  
Jatin Kumar  
Partner  
Membership No. 531072



Place : New Delhi  
Date : June 10, 2021

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

*Malasha*  
Malasha Yashpal  
Whole Time Director  
Din No: 07384326

*Pooja*  
Pooja Arora  
Company Secretary

*Sumant*  
Sumant Jaidka  
Director  
Din No. 05201572

*Inder Pal*  
Inder Pal Batra  
Chief Financial Officer

Place : New Delhi  
Date : June 10, 2021


**Iora Hotels Private Limited**  
**Statement of Profit and Loss for the period ended March 31, 2021**

	Notes	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Employee benefit expenses	19	42.52	37.64
Other expenses	20	0.82	0.76
<b>Total expenses</b>		<b>43.34</b>	<b>38.40</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>(43.34)</b>	<b>(38.40)</b>
Finance costs	21	0.11	0.09
Finance income	22	(0.07)	-
<b>Profit/(loss) before tax</b>		<b>(43.38)</b>	<b>(38.49)</b>
Tax expense:			
(1) Current tax		0.17	-
(2) Adjustment of tax relating to earlier periods		0.88	-
		1.04	-
<b>Profit/(loss) for the period</b>		<b>(44.42)</b>	<b>(38.49)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the period, net of tax</b>		<b>(44.42)</b>	<b>(38.49)</b>
<b>Earnings per equity share:</b>			
(1) Basic	23	(0.04)	(0.03)
(2) Diluted		(0.04)	(0.03)

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements.


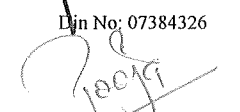
As per our report of even date


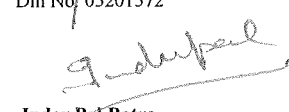
**For JDP & Associates**  
Firm Registration No. 026828N  
Chartered Accountants

  
**Jatin Kumar**  
Partner  
Membership No. 531072



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

  
**Natasha Kashpal**  
Director  
Din No: 07384326  
  
**Pooja Arora**  
Company Secretary

  
**Sumant Jaidka**  
Director  
Din No: 05201572  
  
**Inder Pal Batra**  
Chief Financial Officer

Place : New Delhi  
Date : June 10, 2021

Place : New Delhi  
Date : June 10, 2021

Iora Hotels Private Limited  
Statement of Changes in Equity

A. Equity Share Capital

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

At 1 April 2019  
Issue of share capital  
At 31 March 2020  
Issue of share capital  
At 31 March 2021

	No. of shares	Amount Rs in lakhs
At 1 April 2019	109,470,000	1,094.70
Issue of share capital At 31 March 2020	5,049,000	50.49
Issue of share capital At 31 March 2021	114,519,000	1,145.19
	45,600,000	456.00
	160,119,000	1,601.19

B. Other Equity

For the year ended 31 March, 2021

	Compulsorily convertible debentures Rs in lakhs	Reserves and Surplus			Total equity Rs in lakhs
		Capital reserve Rs in lakhs	Securities Premium Reserve Rs in lakhs	Retained Earnings Rs in lakhs	
Balance at 31 March 2019	-	62.99	21,459.81	(23.85)	21,498.96
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance at 31 March 2020	0.00	62.99	21,459.81	(23.85)	21,498.96
Total Comprehensive Income for the year	-	-	-	(44.42)	(44.42)
Issue of share capital	-	-	8,554.62	-	8,554.62
Movement during the year	-	-	0.00	-	0.00
Balance at 31 March 2021	-	62.99	30,014.43	(68.27)	30,009.15

Summary of significant accounting policies

2.1

As per our report of even date

For JDP & Associates  
Firm Registration No. 026828N  
Chartered Accountants

Jatin Kumar  
Partner  
Membership No. 531072



Place : New Delhi  
Date : June 10, 2021

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

*N. Anshu*  
N. Anshu  
Director  
Din No: 07384326  
*Pooja Arora*  
Pooja Arora  
Company Secretary

*S. Inder Pal*  
S. Inder Pal  
Director  
Din No: 05201572  
*Inder Pal Batra*  
Inder Pal Batra  
Chief Financial Officer

Place : New Delhi  
Date : June 10, 2021

**Iora Hotels Private Limited**  
**Statement of Cash flows for the year ended March 31, 2021**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>Operating Activities</b>		
Loss before tax	(43.38)	(38.49)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Provision for gratuity	1.24	2.22
Provision for leave encashment	0.53	0.81
	<u>(41.61)</u>	<u>(35.46)</u>
Working Capital Adjustment:		
Change in loans and advances and other current assets	(339.89)	466.37
Change in liabilities and provisions	(122.27)	123.36
	<u>(503.76)</u>	<u>554.27</u>
Income tax paid (net of refunds)	(0.84)	-
<b>Net cash flow from operating activities</b>	<u>(504.60)</u>	<u>554.27</u>
<b>Investing activities</b>		
Purchase of Property, Plant & Equipment including CWIP, capital advances and capital creditors	(4,385.32)	(5,524.15)
<b>Net Cash flow used in investing activities</b>	<u>(4,385.32)</u>	<u>(5,524.15)</u>
<b>Financing activities</b>		
Proceeds from issuance of share capital	9,010.62	999.85
(Repayment)/Proceeds from long term borrowings	(2.40)	(4.12)
Payment of Lease Liability	(266.69)	(253.99)
Proceeds from short term borrowings (net of repayments)	(3,851.89)	4,227.82
<b>Net Cash from financing activities</b>	<u>4,889.64</u>	<u>4,969.56</u>
Net increase/(decrease) in cash and cash equivalents	(0.27)	(0.32)
Cash and cash equivalents at the beginning of the year	2.05	2.37
<b>Cash and cash equivalents at the end of the year</b>	<u>1.78</u>	<u>2.05</u>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.33	0.59
Balances with banks in		
Current accounts	1.45	1.46
<b>Total cash and cash equivalents</b>	<u>1.78</u>	<u>2.05</u>

Summary of significant accounting policies

2.1

As per our report of even date

**For JDP & Associates**  
 Firm Registration No. 026828N  
 Chartered Accountants


  
**Jatin Kumar**  
 Partner  
 Membership No. 531072




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

  
**Natasha Yashpal**  
 Director  
 Din No: 07384326

  
**Pooja Arora**  
 Company Secretary

  
**Sumant Jaidka**  
 Director  
 Din No. 05201572

  
**Inder Pal Batra**  
 Chief Financial Officer

Place : New Delhi  
 Date : June 10, 2021

Place : New Delhi  
 Date : June 10, 2021

## Iora Hotels Private Limited

Notes to financial statements for the year ended March 31, 2021

## 3 Property, plant and equipment

(Rs. in Lakhs)

Particulars	Vehicles	Office Equipment	Total
<b>Cost or valuation</b>			
At 1 April 2019	30.76	-	30.76
Additions	-	1.09	1.09
Disposals	-	-	-
<b>At 31 March 2020</b>	<b>30.76</b>	<b>1.09</b>	<b>31.85</b>
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2021</b>	<b>30.76</b>	<b>1.09</b>	<b>31.85</b>
<b>Depreciation</b>			
At 1 April 2019	3.28	-	3.28
Charge for the year	3.65	0.07	3.72
Disposals	-	-	-
<b>At 31 March 2020</b>	<b>6.93</b>	<b>0.07</b>	<b>7.00</b>
Charge for the year	3.65	0.28	3.93
Disposals	-	-	-
<b>At 31 March 2021</b>	<b>10.58</b>	<b>0.35</b>	<b>10.93</b>
<b>Net Book value</b>			
At 31 March 2021	20.18	0.74	20.92
At 31 March 2020	23.83	1.02	24.85

## Net book value

	As at March 31, 2021	As at March 31, 2020
--	-------------------------	-------------------------

Plant, property and equipment

20.92

24.85

## 4 Intangible Assets

(Rs. in Lakhs)

Particulars	Software	Total
<b>Cost or valuation</b>		
At 1 April 2019	-	-
Additions	0.25	0.25
Disposals	-	-
<b>At 31 March 2020</b>	<b>0.25</b>	<b>0.25</b>
Additions	0.63	0.63
Disposals	-	-
<b>At 31 March 2021</b>	<b>0.88</b>	<b>0.88</b>
<b>Amortisation and impairment</b>		
At 1 April 2019	-	-
Amortisation	0.02	0.02
Disposals	-	-
<b>At 31 March 2020</b>	<b>0.02</b>	<b>0.02</b>
Amortisation	0.19	0.19
Disposals	-	-
<b>At 31 March 2021</b>	<b>0.20</b>	<b>0.20</b>
<b>Net Book value</b>		
At 31 March 2021	0.67	0.67
At 31 March 2020	0.23	0.23

## Net book value

	As at March 31, 2021	As at March 31, 2020
--	-------------------------	-------------------------

Software

0.67

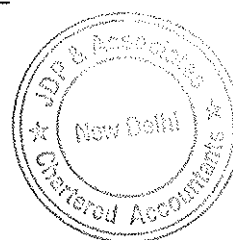
0.23

## 5. Right of Use Assets\*

Rs. In lakhs

Particular	Amount
Balance as at April 01, 2020	14,847.94
Additions during the year	-
Disposals during the year	-
Depreciation during the year	921.98
<b>Balance as at March 31, 2021</b>	<b>13,925.96</b>

\* refer Note 25(a)



**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**6 Capital work-in-progress**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>Hotel at Mumbai</b>		
Material	8,134.07	5,615.14
Professional charges	4,968.05	4,917.86
Lease rent	7,169.31	5,997.77
Salary, wages & bonus	268.25	210.24
Project staff expenses other than salary	213.24	157.06
Travelling expense	35.01	34.00
Borrowing Cost	364.23	134.04
Rates and taxes	3,007.98	1,482.17
Others	53.26	47.82
	<b>24,213.40</b>	<b>18,596.10</b>

**7 Financial assets**

**Other financial assets**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Security Deposits	2,564.03	2,271.96
Interest accrued on deposits with banks and others	-	
Fixed Deposits under lien*	120.00	75.00
	<b>2,684.03</b>	<b>2,346.96</b>

\* Fixed deposits under lien includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

**Break up of non-current financial assets carried at amortised cost**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Security Deposits	2,564.03	2,271.96
Fixed Deposits under lien	120.00	75.00
<b>Total non-current financial assets carried at amortised cost</b>	<b>2,684.03</b>	<b>2,346.96</b>



**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**9 Other non-current assets**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Capital Advances	201.67	14.58
Advance Income Tax (net of provision for taxation)	1.48	0.65
	<u>203.15</u>	<u>15.23</u>

**10 Financial assets**

**a) Cash and cash equivalents**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>Balance with banks</b>		
On current accounts	1.45	1.46
<b>Cash on hand</b>	0.33	0.59
	<u>1.78</u>	<u>2.05</u>

The Company has no undrawn committed borrowing facilities.  
Cash at bank are non-interest bearing financial assets.  
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>Balance with banks</b>		
On current and cash credit accounts	1.45	1.46
Cash on hand	0.33	0.59
	<u>1.78</u>	<u>2.05</u>

**b) Other financial assets**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Security Deposits	2.93	6.51
Interest accrued on deposits with banks and others	7.67	3.47
	<u>10.60</u>	<u>9.97</u>

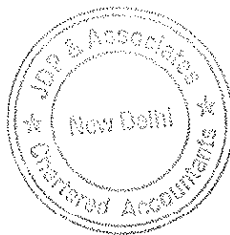
**11 Other current assets**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>Other Advances</b>		
Advances recoverable in cash or kind	2.26	1.28
Prepaid expenses	0.20	-
<b>Total</b>	<u>2.46</u>	<u>1.28</u>



8 Deferred tax assets (net)

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>Deferred tax Liabilities</b>		
Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization as per financial statements	(0.13)	0.89
<b>Deferred tax Assets</b>		
Impact of expenditure charged to the statement of Profit and Loss in the current/ earlier period but allowable for tax purposes on payment basis	-	-
Deferred tax assets recognised to the extent of deferred tax liability	0.13	(0.89)
<b>Deferred tax Asset (Net)</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020</b>		
Accounting profit / (loss) before income tax	(43.38)	(38.49)
At India's statutory income tax rate of 26.00%	(11.28)	(10.01)
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Other income included in CWIP	0.17	-
Income tax charge/(credit) in respect of earlier years	0.88	-
Deferred tax assets not created on carry forward losses in excess of deferred tax liability on other components	(11.28)	(10.01)
<b>Total adjustments</b>	<b>(10.24)</b>	<b>(10.01)</b>
<b>Income tax expense</b>	<b>1.04</b>	<b>-</b>





12 Equity Share capital

Authorised Share Capital

	Equity shares	
	No. of shares	Rs in lakhs
At 1 April 2019	111,140,000	1,111.40
Increase/(decrease) during the year	4,000,000	40.00
At 31 March 2020	115,140,000	1,151.40
Increase/(decrease) during the year	50,000,000	500.00
At 31 March 2021	165,140,000	1,651.40

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 1 April 2019	109,470,000	1,094.70
Increase/(decrease) during the year	5,049,000	50.49
At 31 March 2020	114,519,000	1,145.19
Increase/(decrease) during the year	45,600,000	456.00
At 31 March 2021	160,119,000	1,601.19

Shares held by holding company-

	March 31, 2021		March 31, 2020	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
Equity shares of Re. 1 each fully paid up				
Fleur Hotels Private Limited	141,434,000	1,414.34	76,140,000	761.40
Begonia Hotels Private Limited	-	-	11,615,000	116.15
Celsia Hotels Private Limited	16,665,000	166.65	16,665,000	166.65
Nightingale Hotels Private Limited	-	-	5,050,000	50.50
Inovoa Hotels and Resorts Limited	2,020,000	20.20	-	-

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

	March 31, 2021		March 31, 2020	
	No. of shares	% Shareholding	No. of shares	% Shareholding
Equity shares of INR 1 each fully paid				
Fleur Hotels Private Limited	141,434,000	88.33%	76,140,000	66.49%
Begonia Hotels Private Limited	-	0.00%	11,615,000	10.14%
Celsia Hotels Private Limited	16,665,000	10.41%	16,665,000	14.55%
Nightingale Hotels Private Limited	-	0.00%	5,050,000	4.41%
Inovoa Hotels and Resorts Limited	2,020,000	1.26%	-	0.00%

The company has not issued any shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

During the year, Begonia Hotels Private Limited and Nightingale Hotels Private Limited merged into Fleur Hotels Private Limited.

13 Other equity

Securities Premium Reserve

	Rs in lakhs
At 1 April 2019	20,510.45
Increase/(decrease) during the year	949.36
At 31 March 2020	21,459.81
Increase/(decrease) during the year	8,559.12
Less share issue expenses	(4.50)
At 31 March 2021	30,014.43

Retained Earnings

	Rs in lakhs
At 1 April 2019	14.64
Profit/(loss) for the year	(38.49)
At 31 March 2020	(23.85)
Profit/(loss) for the year	(44.42)
At 31 March 2021	(68.27)

Capital Reserve (Equity component of loan from holding company)

	Rs in lakhs
At 1 April 2019	62.99
Increase/(decrease) during the year	-
At 31 March 2020	62.99
Increase/(decrease) during the year	-
At 31 March 2021	62.99

Note: During the previous years the company had repaid the loan from holding company and reversed the equity component of loan.

	March 31, 2021	March 31, 2020
	Rs in lakhs	Rs in lakhs
Other reserves		
Securities Premium Reserve	30,014.43	21,459.81
Retained Earnings	(68.27)	(23.85)
Capital Reserve (Equity component of loan from holding company)	62.99	62.99
	30,009.15	21,498.95



Iora Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2021

14 Borrowings	Effective Rate of Interest (%)	Maturity	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>Non-current borrowings</b>				
Vehicle loans (Refer note 1 below)	8.50%	2022 - 2024	8.39	11.01
<b>Total non-current borrowings</b>			<u>8.39</u>	<u>11.01</u>
<b>Current borrowings</b>				
Vehicle loans (Refer note 1 below)			4.71	4.49
<b>Total current borrowings</b>			<u>4.71</u>	<u>4.49</u>
Less: Amount clubbed under "other current liabilities"			<u>(4.71)</u>	<u>(4.49)</u>
<b>Net current borrowings</b>			<u>-</u>	<u>-</u>

1.) Vehicle loan is secured by hypothecation of underlying motor vehicle acquired out of such loans. Rate of interest of the loan is 8.50%. The loan is repaid on agreed monthly installments.

15 Lease liabilities	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Opening Balance	5,082.08	4,863.67
Additions during the year	-	-
Deletion during the year	-	-
Interest accrued during the year	493.62	472.40
Payment of lease liabilities	266.69	253.99
<b>Closing Balance</b>	<u>5,309.01</u>	<u>5,082.08</u>

16 Provisions	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>Provision for gratuity</b>	<u>6.10</u>	<u>4.86</u>
Current	6.10	4.86
Non-current	1.54	1.22
<b>Provision for leave benefits</b>	<u>4.55</u>	<u>3.64</u>
Current	3.17	2.64
Non-current	3.17	2.64
<b>Total current</b>	<u>4.72</u>	<u>3.86</u>
<b>Total non-current</b>	<u>4.55</u>	<u>3.64</u>



**Iora Hotels Private Limited****Notes to financial statements for the year ended March 31, 2021****17 Financial liabilities**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
<b>(i) Borrowings</b>		
0% loan from Fleur Hotels Private Limited (repayable on demand)	3,198.11	4,934.99
9% loan from Carnation Hotels Private Limited (repayable on demand)	270.00	765.00
9% loan from Nightingale Hotels Private Limited (repayable on demand)	-	1,630.00
9% loan from Begonia Hotels Private Limited (repayable on demand)	-	100.00
9% loan from Inovia Hotels and Resorts Limited (repayable on demand)	150.00	40.00
	<b>3,618.11</b>	<b>7,469.99</b>
<b>(ii) Other financial liabilities</b>		
Book Overdraft	18.37	26.34
Current maturities of long-term borrowings	4.71	4.49
Payable for capital goods	113.74	418.35
Interest accrued but not due on borrowings	335.07	125.33
Outstanding dues of other creditors	9.01	31.09
	<b>480.89</b>	<b>605.60</b>
<b>18 Other current liabilities</b>		
Statutory Dues	26.96	24.29
	<b>26.96</b>	<b>24.29</b>



Iora Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2021

**19 Employee benefit expense**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Salaries, wages and bonus	41.08	35.28
Contribution to provident fund and other funds	1.01	0.36
Gratuity expense	0.21	1.22
Leave compensation expenses	0.22	0.78
<b>Total</b>	<b>42.52</b>	<b>37.64</b>

**20 Other expenses**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Rates and taxes	0.20	0.21
Legal and professional fees	0.01	0.04
Payment to auditors	0.59	0.51
Miscellaneous expense	0.02	-
<b>Total</b>	<b>0.82</b>	<b>0.76</b>

**Payment to auditor**

Statutory audit fees	0.35	0.35
Other Services	0.24	0.16

**21 Finance cost**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Bank charges	0.11	0.09
<b>Total</b>	<b>0.11</b>	<b>0.09</b>

**22 Finance income**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
Interest		
- on Income Tax Refund	0.07	-
	0.07	-

**23 Earnings per Share (Basic and Diluted)**

	March 31, 2021 Rs in lakhs	March 31, 2020 Rs in lakhs
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Basic EPS amounts are calculated by dividing the profit/(loss) 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 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.

Loss after Tax (Rs in lakhs)	(44.42)	(38.49)
Weighted Average Number of Equity Shares	115,643,384	111,669,427
<b>Basic Earning Per share</b>	<b>(0.04)</b>	<b>(0.03)</b>

**Computation of diluted earning per share**

Loss after Tax (Rs in lakhs)	(44.42)	(38.49)
Weighted average number of equity shares in calculating diluted EPS	115,643,384	111,669,427
<b>Diluted Earning Per share</b>	<b>(0.04)</b>	<b>(0.03)</b>



## **Iora Hotels Private Limited**

### **Notes to financial statements for the year ended March 31, 2021**

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#### **1. Corporate Information**

Iora 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 company is engaged in the business of running, owning hotels, resorts and restaurants and to provide hospitality services in this regard.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 10, 2021.

#### **2 Basis of preparation**

##### **2.1 Significant accounting policies**

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

The financial statements have been prepared on a historical cost or at amortised cost except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

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:



## **Iora Hotels Private Limited**

### **Notes to financial statements for the year ended March 31, 2021**

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

The Company classifies all other liabilities as non-current.

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

#### **(c) Fair value measurement**

The Company measures financial instruments, such as, investment in mutual fund 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



## Iora Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2021

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another market participant that would use the asset in its highest and best use.

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by the 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 as explained above.

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

- Disclosures for valuation methods, significant estimates and assumptions (note 21),
- Quantitative disclosures of fair value measurement hierarchy (note 25)
- Financial instruments (including those carried at amortized cost) (note 25)



## **Iora Hotels Private Limited**

### **Notes to financial statements for the year ended March 31, 2021**

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#### **(d) Revenue recognition**

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised. The Company has adopted Ind AS 115 using cumulative catch-up transition method, where any effect arising upon application of this standard is recognised as at the date of initial application (i.e April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under previous standards on revenue i.e Ind AS 18 and Ind AS 11. There was no impact on adoption of Ind AS 115 to the financial statements of the Company.

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.

#### *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.

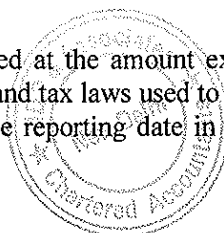
#### *Gain/(loss) on sale of investment in mutual funds*

Gain/(loss) on sale of investment in mutual funds is recorded as other income on transfer of title from the Company and is determined as the difference between the redemption price and carrying value of the investments.

#### **(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





## **Iora Hotels Private Limited**

### **Notes to financial statements for the year ended March 31, 2021**

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Company operates and generates taxable income.

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

#### *Deferred tax*

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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 utilized.

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

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

Deferred tax relating to items 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.

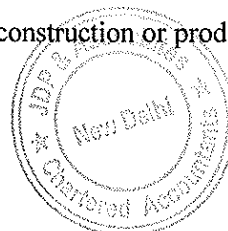
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

Capital work in progress, 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.

#### **(g) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that



## **Iora Hotels Private Limited**

### **Notes to financial statements for the year ended March 31, 2021**

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necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **(h) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

##### *Company as a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2.g). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or
- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

#### **(i) 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



## Iora Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2021

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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.

#### (j) 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.

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



## Iora Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2021

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used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### (k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group 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.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

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

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



## Iora Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2021

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#### (I) 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans to subsidiaries etc.

##### *Debt instrument at FVTOCI*

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.



## **Iora Hotels Private Limited**

### **Notes to financial statements for the year ended March 31, 2021**

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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.

#### *Debt instrument at FVTPL*

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

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

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

#### *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:

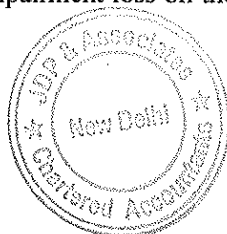
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) 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



## Iora Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2021

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exposure:

- 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 116
- 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
- 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 116

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

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.



## **Iora Hotels Private Limited**

### **Notes to financial statements for the year ended March 31, 2021**

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#### ***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.

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 2.2g

##### ***Financial guarantee contracts***

Financial guarantee contracts issued by the group Company are those contracts that require a





## Iora Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2021

payment to be made to reimburse the guarantee holder for a loss it incurs because the Company fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantees issued by the group Company on behalf the Company are designated as 'Insurance Contracts'.

#### *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.

#### *Reclassification of financial assets*

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.



**Iora Hotels Private Limited****Notes to financial statements for the year ended March 31, 2021**

FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

*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.

**(m) 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.

**(n) 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.



## **Iora Hotels Private Limited**

### **Notes to financial statements for the year ended March 31, 2021**

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**(o) 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.

**(p) Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, if any.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



## Iora Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2021

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#### 24. Significant accounting judgements, estimates and assumptions

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

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

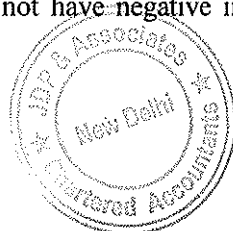
The COVID-19 pandemic is affecting major economic and financial markets, and virtually all industries and governments are facing challenges associated with the economic conditions resulting from efforts to address it. As the spread of the pandemic increased, entities are experiencing conditions often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

For the year ended March 31, 2021, the Company has considered possible effects due to COVID 19 in its assessment of the going concern assumption and liquidity position for the next one year, recoverability of assets comprising Property, Plant and Equipment (PPE) and trade receivables as at the balance sheet date.

The Management have assessed the effect of these macro-economic conditions into their estimates of future cash flows to make good-faith estimates for determining the values of the Company's assets including investments and liabilities. The Management has carefully considered these unique circumstances and risk exposures when analyzing how recent events may affect their financial reporting to develop estimates considering all available relevant information.

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

Management believes that it has taken into account the possible impact of known events arising from COVID 19 pandemic in the preparation of these financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict including the degree to which governments may further restrict business and other activities. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise. The management believes that it will not have negative impact on future cash flows and the financial position of the Company.



## Iora Hotels Private Limited

### Notes to financial statements for the year ended March 31, 2021

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Based on a collective assessment of the above factors management believes that the Company will continue as a going concern for the next one year, has enough liquidity to meet its obligations and based on fair value assessment will be able to recover the carrying amount of its assets as on March 31, 2021.

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

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

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

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

<u>Particulars</u>	<u>As at March 31, 2021</u>
Discount Rate ( <i>pre tax rate of WACC</i> )	12.50%
Long Term Growth Rate	5.50%

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

##### **2. Leases**

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



**Iora Hotels Private Limited****Notes to financial statements for the year ended March 31, 2021**

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**25. Gratuity and other post-employment benefit plans***Rs. In lakhs*

	<b>March 31, 2021</b>	March 31, 2020
Gratuity plan	6.10	4.86
<b>Total</b>	<b>6.10</b>	<b>4.86</b>

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.



**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

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

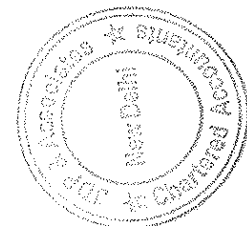
		Remeasurement gains/(losses) in other comprehensive income							Rs. In Lakhs
Gratuity cost charged to profit or loss		Return on plan assets (excludi ng amounts included in net interest expense)	Actuarial changes arising from changes in demograp hic assumptio ns	Actuarial changes arising from changes in financial assumptio ns	Experie nce adjustm ents	Sub- total inclu ded in OCI	Contribu tions by employe r	March 31, 2021	
April 1, 2020	Net interest expense	Sub-total included in profit or loss	Benefit s paid	Benefit s paid	Benefit s paid	Benefit s paid	Benefit s paid	Benefit s paid	
4.86	0.65	0.24	0.89	-	-	0.35	-	6.10	
-	-	-	-	-	-	-	-	-	
<b>4.86</b>	<b>0.65</b>	<b>0.24</b>	<b>0.89</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>-</b>	<b>6.10</b>	
Defined benefit obligation	4.86	0.65	0.24	0.89	-	0.35	-	6.10	
Fair value of plan assets	-	-	-	-	-	-	-	-	
<b>Benefit liability</b>	<b>4.86</b>	<b>0.65</b>	<b>0.24</b>	<b>0.89</b>	<b>-</b>	<b>0.35</b>	<b>-</b>	<b>6.10</b>	



**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

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

	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income				Rs. In lakhs			
	April 1, 2019	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions		Experience adjustments	Sub-total included in OCI	Contributions by employer
Defined benefit obligation	2.64	0.55	0.18	0.73	-	-	-	0.19	1.3	1.49	-	4.86
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit liability</b>	<b>2.64</b>	<b>0.55</b>	<b>0.18</b>	<b>0.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.19</b>	<b>1.3</b>	<b>1.49</b>	<b>-</b>	<b>4.86</b>





**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

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

	March 31, 2021	March 31, 2020
<b>Unquoted investments:</b>	-	-
Asset invested in insurance scheme with the LIC	-	-
<b>Total</b>	-	-

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

	March 31, 2021	March 31, 2020
<b>Discount rate:</b>	%	%
Pension plan	5.60%	5.60%
<b>Future salary increases:</b>		
Pension plan	5.00%	5.00%
<b>Life expectation for pensioners:</b>	Years	Years
<b>Pension plan</b>		
Male	60	60
Female	60	60

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

**India gratuity plan:**

	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
<b>Sensitivity Level</b>	1% increase	1% decrease	1% increase	1% decrease
<b>Impact on defined benefit obligation</b>	(0.18)	0.19	0.19	(0.18)



**Iora Hotels Private Limited**

**Notes to financial statements for the year ended March 31, 2021**

	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.14)	0.15	0.15	(0.15)

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

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

Duration (Years)	For the year ended March 31, 2021	For the year ended March 31, 2020
1	1.54	1.25
2	1.30	0.99
3	1.23	0.83
4	0.72	0.79
5	0.58	0.46
Above 5	1.53	1.55
<b>Total expected payments</b>	<b>6.90</b>	<b>5.88</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years

**26. Commitments and contingencies**

**a. Leases**

**Operating lease commitments — Company as lessee**

The Company has entered into operating lease on land for building a hotel, with lease terms upto 02-May-2036 (extendable at the option of company for another 30 years). All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

**Transition to Ind AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included in the audited financial statements for the year ended March 31, 2019.



**Iora Hotels Private Limited**

**Notes to financial statements for the year ended March 31, 2021**

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**Company as a lessee:**

For transition, the Company has assessed whether the contract is, or contains, the lease. The Company has elected not to apply the requirements of IND AS 116 to leases for which the underlying asset is of low value on a lease-by-lease basis and the leases with less than 12 months of lease term on the date of initial application. The Company has used a single discount rate to a portfolio of leases with similar characteristics. The Company has applied its incremental borrowing rate for lease liabilities recognised in the balance sheet at the date of initial application.

The weighted average of incremental borrowing rate applied to lease liabilities, as at April 01, 2019 is 9.72%.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments as at April 1, 2019. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of Rs 3,306.06 lakhs and a corresponding lease liability of Rs. 4,863.67 lakhs has been recognized. The cumulative effect on transition in Capital work in progress net of taxes is Rs 1,557.61 lakhs. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability. (All the expenses have been capitalised in the capital work-in-progress).



**Iora Hotels Private Limited****Notes to financial statements for the year ended March 31, 2021**

The impact of Ind AS 116 as at 1st April 2019 on the balance sheet line items is as follows:

Particulars	As at April 1, 2019 (Before Ind AS 116)	Ind AS 116 Adjustments	As at April 1, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Right of use assets	-	3,306.06	<b>3,306.06</b>
Capital work in progress	2,077.70	(520.09)	<b>1557.61</b>
Deferred tax assets (net)			
<b>Total Assets</b>	<b>2,077.70</b>	<b>2,785.97</b>	<b>4,863.67</b>
<b>Equity and Liabilities</b>			
Other Equity	-	-	-
<b>Non-Current</b>			
Financial liabilities			
Lease Liabilities	-	4391.27	<b>4391.27</b>
Other current liabilities	2,077.70	(2077.70)	-
<b>Current</b>			
Financial liabilities	-		
Lease Liabilities		472.40	<b>472.40</b>
<b>Total Equity and Liabilities</b>	<b>2,077.70</b>	<b>2,785.97</b>	<b>4,863.67</b>

**b. Commitments**

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

At March 31, 2021, the Company had commitments of Rs. 8,203.20 lakhs (March 31, 2020: 2,986.61 lakhs)



**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

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**27. Related Party Transactions**

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a) Names of related parties

Ultimate Holding company	- Lemon Tree Hotels Limited
Holding Company	- Fleur Hotels Private Limited
Fellow subsidiary companies	- Begonia Hotels Private Limited(amalgamated with Fleur Hotels Private Limited) - Celsia Hotels Private Limited - Nightingale Hotels Private Limited (amalgamated with Fleur Hotels Private Limited) -Carnation Hotels Private Limited -Inovoa Resorts & Hotels Limited Berggruen Hotels Private Limited
Key Management Personnel	- Mr. Cyrus Mehernosh Madan (Director) (upto 9 <sup>th</sup> November, 2020) - Mr. Davander Tomar(Director) - Mr. Paramartha Saikia (Independent Director) - Ms. Natasha Yashpal(Whole Time Director) ( w.e.f. September 26, 2019) - Mr. Sumant Jaidka (w.e.f. October 18, 2019)

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**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

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

(Amount in lakhs)

Transactions with Related party	Year Ended	Holding Company	Ultimate Holding Company	Key Management Personnel	Fellow Subsidiaries
<b>Loan (taken)</b>					
Fleur Hotels Private Limited	<b>31-Mar-21</b>	<b>7,453.00</b>	-	-	-
	31-Mar-20	2,443.00	-	-	-
Carnation Hotels Private Limited	<b>31-Mar-21</b>	-	-	-	<b>125.00</b>
	31-Mar-20	-	-	-	805.00
Nightingale Hotels Private Limited (Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>	-	-	-	-
	31-Mar-20	-	-	-	1,690.00
Begonia Hotels Private Limited(Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>	-	-	-	-
	31-Mar-20	-	-	-	100.00
Inovoa Hotels & Resorts Limited	<b>31-Mar-21</b>				<b>110.00</b>
	31-Mar-20				40.00
Berggruen Hotels Private Limited	<b>31-Mar-21</b>				<b>2,100.00</b>
	31-Mar-20				-
<b>Repayment of Loan(taken)</b>					
Fleur Hotels Private Limited	<b>31-Mar-21</b>	<b>10,919.80</b>	-	-	-
	31-Mar-20	750.16	-	-	-
Nightingale Hotels Private Limited (Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>				-
	31-Mar-20				60.00
Carnation Hotels Private Limited	<b>31-Mar-21</b>	-	-	-	<b>620.00</b>
	31-Mar-20	-	-	-	40.00
Berggruen Hotels Private Limited	<b>31-Mar-21</b>				<b>2,100.00</b>
	31-Mar-20				-

**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

<b>Issue of shares</b>					
Fleur Hotels Private Limited	<b>31-Mar-21</b>	<b>9,015.12</b>	-	-	-
	31-Mar-20	-	-	-	-
<b>Reimbursement of expense incurred by the party</b>					
Fleur Hotels Private Limited	<b>31-Mar-21</b>	<b>4.80</b>	-	-	-
	31-Mar-20	16.62	-	-	-
<b>Remuneration Paid</b>					
Natasha Yashpal	<b>31-Mar-21</b>	-	-	<b>19.94</b>	-
	31-Mar-20	-	-	17.01	-
<b>Interest paid(Gross)</b>					
Fleur Hotels Private Limited	<b>31-Mar-21</b>	158.33	-	-	-
	31-Mar-20	-	-	-	-
Nightingale Hotels Private Limited (Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>	-	-	-	-
	31-Mar-20	-	-	-	88.53
Begonia Hotels Private Limited (Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>	-	-	-	-
	31-Mar-20	-	-	-	2.13
Carnation Hotels Private Limited	<b>31-Mar-21</b>	-	-	-	<b>28.91</b>
	31-Mar-20	-	-	-	48.58
Inovoa Resorts & Hotels Limited	<b>31-Mar-21</b>	-	-	-	<b>5.85</b>
	31-Mar-20	-	-	-	-
Berggruen Hotels Private Limited	<b>31-Mar-21</b>	-	-	-	<b>33.66</b>
	31-Mar-20	-	-	-	-
<b>Interest accrued but not due</b>					
Fleur Hotels Private Limited	<b>31-Mar-21</b>	<b>228.06</b>			
	31-Mar-20	-			

**Iora Hotels Private Limited**

**Notes to financial statements for the year ended March 31, 2021**

Nightingale Hotels Private Limited (Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>				-
	31-Mar-20				78.68
Begonia Hotels Private Limited (Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>				
	31-Mar-20				1.92
Carnation Hotels Private Limited	<b>31-Mar-21</b>				<b>70.46</b>
	31-Mar-20				43.72
Berggruen Hotels Private Limited	<b>31-Mar-21</b>				<b>31.13</b>
	31-Mar-20				-
Inovoa Resorts & Hotels Limited	<b>31-Mar-21</b>				<b>5.41</b>
	31-Mar-20				-
<b>Balance O/s at year end</b>					
Fleur Hotels Private Limited	<b>31-Mar-21</b>	<b>3,198.11</b>	-	-	-
	31-Mar-20	4,951.62	-	-	-
Begonia Hotels Private Limited (Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>	-	-	-	-
	31-Mar-20	-	-	-	100.00
Nightingale Hotels Private Limited (Merged With Fleur Hotels Private Limited)	<b>31-Mar-21</b>	-	-	-	-
	31-Mar-20	-	-	-	1,630.00
Carnation Hotels Private Limited	<b>31-Mar-21</b>	-	-	-	<b>270.00</b>
	31-Mar-20	-	-	-	765.00
Inovoa Resorts & Hotels Limited	<b>31-Mar-21</b>				<b>150.00</b>
	31-Mar-20				40.00
Natasha Yashpal	<b>31-Mar-21</b>			-	
	31-Mar-20			0.52	



**Iora Hotels Private Limited**

**Notes to financial statements for the year ended March 31, 2021**

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**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Commitments with related parties**

The company has not entered into any commitments with related parties during the year.



**28. Fair values**

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 instruments by category***Rs. In lakhs*

	31-March-21		31-March-20	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Security Deposits	-	2,566.96	-	2,278.47
Fixed deposit under lien	-	120.00	-	75.00
Interest accrued on deposits with banks and others	-	7.67	-	3.47
Cash and Cash Equivalents	-	1.78	-	2.05
<b>Total Financial Assets</b>	-	<b>2,696.41</b>	-	<b>2,358.99</b>

*Rs. In lakhs*

	31-March-21		31-March-20	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Borrowings	-	3,631.21	-	7,481.00
Other Current Financial Liabilities	-	476.18	-	605.60
<b>Total Financial Liabilities</b>	-	<b>4,107.39</b>	-	<b>8,086.60</b>

The management assessed that fair values of cash and cash equivalents, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

**29. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Security deposits and cash & cash equivalents.

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 three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

### **Credit risk**

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

### **Trade receivables and Security Deposits**

Customer credit risk is managed by business through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### **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.

### **Financial instruments and cash deposits**

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

### **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.



**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

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
<b>Year ended March 31, 2021</b>						
Borrowings	3,618.11	0.76	3.95	8.39	-	3,631.21
Financial Liabilities	476.18	-	-	-	-	476.18
	<b>4,094.29</b>	<b>0.76</b>	<b>3.95</b>	<b>8.39</b>	<b>-</b>	<b>4,107.39</b>
<b>Year ended March 31, 2020</b>						
Borrowings	7,469.99	-	4.49	11.01	-	7,485.49
Financial Liabilities	601.11	-	-	-	-	601.11
	<b>8,071.10</b>	<b>-</b>	<b>4.49</b>	<b>11.01</b>	<b>-</b>	<b>8,086.60</b>

### 30. 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 Company. 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.

	<i>Rs. In lakhs</i>	
	March 31, 2021	March 31, 2020
Borrowings (Note 14 and 17)	3,631.21	7,485.49
Less: cash and cash equivalents (Note 10)	1.78	2.05
<b>Net debt</b>	<b>3,632.99</b>	<b>7,483.44</b>
Equity	31,610.34	22,644.14
<b>Capital and net debt</b>	<b>35,243.33</b>	<b>30,127.59</b>
Gearing ratio	<b>10.31%</b>	<b>24.84%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the



current period.

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

### **31. Deposit for leasehold long term lease agreement**

During the earlier year, the Company has entered into a sub-lease agreement ('agreement') with Mumbai International Airport Private Limited (MIAL) for the right to operate, manage and develop the hotel at Chhatrapati Shivaji International Airport at Mumbai for initial term upto May 02, 2036, extendable at the option of the Company for an additional period of 30 years. In terms of the agreement, the Company has placed an interest free security deposit of Rs. 16,600 lakhs (March 31, 2020:-Rs. 16,600 lakhs) to secure the payment of annual lease and performance of all other obligations under the agreement refundable upon transfer of possession of asset to MIAL at the expiry of the agreement term.

### **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**

33. No customer individually accounted for more than 10% of the revenue
34. There is no unhedged foreign currency exposure as at the balance sheet date.
35. The Company's holding company has confirmed that it shall provide continuing financial support to the Company to pay off its debts, as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.



**Iora Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**

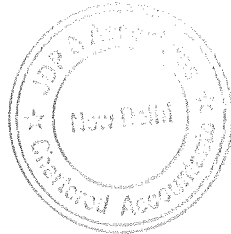
**36. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.**

	March 31, 2021	March 31, 2020
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

As per our report of even date


**For JDP & Associates**  
 Firm Registration No. 026828N  
 Chartered Accountants

  
**Jatin Kumar**  
 Partner  
 Membership No. 531072



Place : New Delhi  
 Date : June 10, 2021

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

  
**Sumant Jaidka**  
 Director  
 Din: 05201572

  
**Pooja Arora**  
 Company Secretary

Place: New Delhi  
 Date : June 10, 2021

  
**Natasha Yashpal**  
 Director  
 Din: 07384326

  
**Inder Pal Batra**  
 Chief Financial Officer