

Independent Auditors' Report**To the Members of
Belaire Hotels Private Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Belaire Hotels Private Limited (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw attention to Note 40 of the financial statements, which explains the management's assessment of going concern assumption and financial impact on account of COVID 19 pandemic situation and its assertion that based on best estimates made by it, the Company will continue as a going concern, i.e. continue its operations and will be able to discharge its liabilities and realise its assets, for the foreseeable future, despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances; and

We draw attention to Note 41(a) of the financial statements, where the Board of Directors of the Company have approved amalgamation of the Company with its holding company i.e. Chalet Hotels Limited, with an appointed date of 1 April 2020. The proposed amalgamation is subject to approval of the statutory and regulatory authorities.

Our opinion is not qualified in respect of these matters.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's director's report, but does not include the financial statements and our auditors' report thereon.

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

Independent Auditors' Report (Continued)

Belaire Hotels Private Limited

Other Information (continued)

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.

Management's and Board of Director's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Independent Auditors' Report (*Continued*)

Belaire Hotels Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the 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 (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;



Independent Auditors' Report (*Continued*)

Belaire Hotels Private Limited

Report on Other Legal and Regulatory Requirements (continued)

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
- f) with respect to adequacy of the internal financial control with reference to financial statements of the Company and the operating effectiveness of such control, refers to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company does not have any pending litigation which would impact its financial position;
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

d) (i) The management has represented that, to the best of its knowledge and belief as disclosed in Note (41b) to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief as disclosed in Note (41b) to the financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.



Independent Auditors' Report (*Continued*)

Belaire Hotels Private Limited

Report on Other Legal and Regulatory Requirements (continued)

- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of section 197 of the Act are not applicable to the Company.

The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

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



Mansi Pardiwalla
Partner

Membership No: 108511
UDIN: 22108511AIRKLA7057

Mumbai
09 May 2022

Belaire Hotels Private Limited

'Annexure A' to the Independent Auditors' Report - 31 March 2022

With regards the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period 3 years. Pursuant to the program, all property, plant and equipment were physically verified during the financial year ended 31 March 2020 by the management and accordingly, not verified during the current year. The management has represented to us that all assets would be covered in physical verification programme for the year ending 31 March 2023. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, and read with Note 2 of the financial statements, the title deeds of immovable property comprising of free hold land and building are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. The Company does not have any goods-in-transit and stock lying with third parties at the year-end. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties. Accordingly, provisions of clauses 3(iii)(a) of the Order are not applicable to the Company



Belaire Hotels Private Limited

'Annexure A' to the Independent Auditors' Report - 31 March 2022 (Continued)

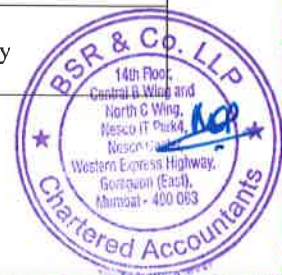
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion clause 3(iii)(c) to 3(iii)(f) of the order are not applicable to the company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Income-Tax, or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute except as below :

Name of the statute	Nature of the dues	Amount not deposited on account of demand Rs in million	Amount paid Rs in million	Financial year (F.Y.) to which the amount relates	Forum where dispute is Pending
Customs Act, 1962	Interest obligation for non fulfilment of export obligation	8.19	3.85	2021-22	Custom Authority



Belaire Hotels Private Limited

'Annexure A' to the Independent Auditors' Report - 31 March 2022 (Continued)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act), as the company does not hold any investment in them. Accordingly, clause 3(ix)(f) of the order is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.



Belaire Hotels Private Limited

‘Annexure A’ to the Independent Auditors’ Report - 31 March 2022 ***(Continued)***

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. The provisions of Section 177 are not applicable to the Company.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system is not commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirement of clause 3(xvi)(d) are not applicable to the Company.
- (xvii) The Company has incurred cash losses of Rs. 16.7 million in the current year and Rs. 123.2 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.



Belaire Hotels Private Limited

‘Annexure A’ to the Independent Auditors’ Report - 31 March 2022 (Continued)

- (xix) We draw attention to Note 14 to the financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2022. Further, the Company’s current liabilities exceed its current assets as at 31 March 2022 by Rs. 1,647.58 Million. As per the management, the Company continues to enjoy support from the parent company. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern.

On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company

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

Firm’s Registration No: 101248W/W-100022

M Pardiwalla

Mansi Pardiwalla
Partner

Membership No: 108511

UDIN: 22108511AIRKLA7057

Mumbai
09 May 2022

Belaire Hotels Private Limited

Annexure B to the Independent Auditors' report on the financial statement for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Belaire Hotels Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

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



Belaire Hotels Private Limited

Annexure B to the Independent Auditors' report on the financial statement for the year ended 31 March 2022 *Continued*

Auditors' Responsibility (Continued)

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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



Mansi Pardiwalla

Partner

Membership No: 108511

UDIN: 22108511AIRKLA7057

Mumbai
09 May 2022

Belaire Hotels Private Limited

Balance Sheet
as at March 31, 2022

		(Rs. in million)	
	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	2,719.09	2,786.65
Capital work-in-progress	3	0.27	-
Other intangible assets	4	0.44	1.04
Financial assets			
(i) Other investments	5	4.20	-
(ii) Others	6	15.49	22.51
Other non-current assets	7	-	1.54
Non-current tax assets (net)		12.74	9.94
Total non-current assets		2,752.23	2,821.68
Current assets			
Inventories	8	3.00	2.63
Financial assets			
(i) Trade receivables	9	11.32	4.66
(ii) Cash and cash equivalents	10 a	28.52	2.28
(iii) Bank balances other than (ii) above	10 b	12.81	3.68
(iv) Others	11	1.10	1.65
Other current assets	12	19.22	14.39
Total current assets		75.97	29.29
TOTAL ASSETS		2,828.20	2,850.97
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,407.05	1,407.05
Other equity	14	(585.27)	(475.45)
Total equity		821.78	931.60
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	281.86	570.72
Provisions	16	1.01	2.23
Total non-current liabilities		282.87	572.96
Current liabilities			
Financial liabilities			
(i) Borrowings	17	1,676.10	1,300.38
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and	18	4.37	3.65
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises	18	30.22	35.87
(iii) Other financial liabilities	19	2.85	2.47
(iv) Other current liabilities	20	8.20	3.30
Provisions	21	1.81	0.76
Total current liabilities		1,723.56	1,346.43
TOTAL EQUITY AND LIABILITIES		2,828.20	2,850.97

Significant Accounting Policies
Notes to the Financial Statements

1
2 - 42

The notes referred to above form an integral part of the financial statements.

As per our audit report of even date attached

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

For and on behalf of the Board of Directors of
Belaire Hotels Private Limited
(CIN No. U55101MH2007PTC170789)

Mansi Pardiwalla

Mansi Pardiwalla
Partner
Membership No. 108511

Sanjay Sethi
Sanjay Sethi
Director
DIN. 00641243

Millind Wadekar
Millind Wadekar
Director
DIN. 08627229

Gaurav Giria

Gaurav Giria
CFO
(Membership no. 069269)
Mumbai
9 May 2022

Mumbai
9 May 2022

Belaire Hotels Private Limited

Statement of Profit and Loss
for the year ended March 31, 2022

	Note	For the year ended March 31, 2022	(Rs. in million) For the year ended March 31, 2021
Revenue			
Revenue from operations	22	270.11	100.71
Other income	23	8.59	10.17
Total income (A)		278.70	110.88
Expenses			
Food and beverages consumed	24 a	20.75	8.35
Operating supplies consumed	24 b	11.91	6.53
Employee benefits expense	25	60.50	51.33
Other expenses	26	161.11	100.27
Total expenses (B)		254.27	166.48
Earnings before interest, depreciation, amortisation and tax (EBITDA) (C) (A-B)		24.43	(55.60)
Depreciation and amortisation expenses	2,4	94.32	98.86
Finance costs	27	41.13	67.60
(Loss) before income tax (D)		(111.02)	(222.06)
Tax expense (E)			
Current tax	28	-	-
Deferred tax		-	-
(Loss) for the year (F) (D-E)		(111.02)	(222.06)
Other comprehensive income			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurements of the defined benefit plans		1.21	0.71
Income tax Credit on above		-	-
Other comprehensive income for the year, net of tax (G)		1.21	0.71
Total comprehensive (expense) for the year (H) (F+G)		(109.81)	(221.35)
Earnings per equity share - (Face value of Rs 10 each)			
Basic	29	(0.79)	(1.58)
Diluted	29	(0.79)	(1.58)
Significant Accounting Policies	1		
Notes to the Financial Statements	2 - 42		

The notes referred to above form an integral part of the financial statements.

As per our audit report of even date attached

For BSR & Co. LLP
Firm's Registration No: 101248W/W-100022



Mansi Pardiwalla
Partner
Membership No. 108511

Mumbai
9 May 2022

For and on behalf of the Board of Directors of
Belaire Hotels Private Limited
(CIN No. U55101MH2007PTC170789)


Sanjay Sethi Milind Wadekar
Director Director
DIN. 00641243 DIN. 08627229


Gaurav Giria
CFO
(Membership no. 069269)
Mumbai
9 May 2022

Belaire Hotels Private Limited

Statement of Cash Flows

for the year ended March 31, 2022

	(Rs. in million)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES :		
(Loss) before tax	(111.02)	(222.06)
Adjustments for :		
Interest income from instruments measured at amortised cost	(2.28)	(3.03)
Depreciation and amortisation expenses	94.32	98.86
Finance costs	41.13	67.60
Loss on discard of property, plant and equipments	-	0.16
Sundry balance written back	(0.28)	(2.25)
Total	<u>132.89</u>	<u>161.35</u>
Operating Profit / (Loss) before working capital changes	<u>21.86</u>	<u>(60.72)</u>
Adjustments		
(Decrease) / Increase in trade receivables and current assets	(9.82)	21.03
(Decrease) / Increase in inventories	(0.36)	0.88
Increase / (Decrease) in trade payables and current liabilities	1.39	(9.77)
Total	<u>(8.80)</u>	<u>12.14</u>
Income Taxes (net of refund)	(2.24)	23.01
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	<u>10.83</u>	<u>(25.56)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant and equipment (including capital work in progress, capital creditors and capital advances)	(3.80)	(0.54)
Purchase of investments (including investment property and investment property under construction)	(4.20)	-
Interest income received	1.38	1.89
Margin money matured (placed)	(1.07)	(0.00)
NET CASH (USED IN) /GENERATED FROM INVESTING ACTIVITIES (B)	<u>(7.70)</u>	<u>1.35</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of long-term borrowings	(281.34)	(285.10)
Inter Corporate Deposits from Chalet Hotels Ltd	343.30	359.60
Proceeds from short-term borrowings	-	100.00
Repayment of short-term borrowings (net)	(2.74)	(100.00)
Interest and finance charges paid	(36.11)	(57.99)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	<u>23.11</u>	<u>16.51</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	<u>26.24</u>	<u>(7.71)</u>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	<u>2.28</u>	<u>9.99</u>
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	<u>28.52</u>	<u>2.28</u>

Cash and cash equivalents (refer Note 10 a)
Cash and cash equivalents as per statement of cash flows

March 31, 2022	March 31, 2021
28.52	2.28
28.52	2.28

3 The movement of borrowings as per Ind AS 7 is as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening borrowings	1,871.10	1,808.78
Repayment of long-term borrowings	(281.34)	(285.10)
Proceeds from short-term borrowings	343.30	459.60
Repayment of short-term borrowings	(2.74)	(100.00)
Non-cash adjustments	27.64	(12.17)
	<u>1,957.96</u>	<u>1,871.10</u>

The notes referred to above form an integral part of the financial statements.

As per our audit report of even date attached.

For B S R & Co. LLP
Firm's Registration No: 101248/W-100022



Mansi Pardiwalla
Partner
Membership No. 108511

Mumbai
9 May 2022

For and on behalf of the Board of Directors of
Belaire Hotels Private Limited
(CIN No. U55101MH2007PTC170789)


Sanjay Sethi
Director
DIN. 00641243


Milind Wadekar
Director
DIN. 08627229


Gaurav Giria
CFO
(Membership no. 069269)

Mumbai
9 May 2022

Belaire Hotels Private Limited

Statement of Changes in Equity

as at March 31, 2022

(Rs. in million)

(a) Equity share capital

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the reporting year	1,407.05	1,407.05
Balance at the end of the reporting year	1,407.05	1,407.05

	Attributable to the owners of the Company		
	Equity Component of Compound Instrument (refer note 14)	Retained earnings	Total
Balance as at March 31, 2021	845.04	(1,320.49)	(475.45)
Total comprehensive income for the year			
Adjustments:			
(Loss) for the year	-	(111.02)	(111.02)
Remeasurements of defined benefit plans (net of tax)	-	1.21	1.21
Total comprehensive income for the year	-	(109.81)	(109.82)
Balance as at March 31, 2022	845.04	(1,430.30)	(585.27)
Balance at April 1, 2020	845.04	(1,099.14)	(254.10)
(Loss) for the year		(222.06)	(222.06)
Remeasurements of defined benefit plans (net of tax)		0.71	0.71
Total comprehensive income for the year	-	(221.35)	(221.35)
Balance as at March 31, 2021	845.04	(1,320.49)	(475.45)

The notes referred to above form an integral part of the financial statements.

As per our audit report of even date attached

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

For and on behalf of the Board of Directors of
U55101MH2007PTC170789
Belaire Hotels Private Limited

Mansi Pardiwalla
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Mumbai
9 May 2022

Mumbai
9 May 2022

Belaire Hotels Private Limited

Notes to the Financial Statements

1.1 Company background

Belaire Hotels Private Limited ('the Company') is a private limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on 14 May 2007. The Company is engaged in the business of hospitality and at March 31, 2022, the Company is having one hotel operating at Pune.

1.2 Significant accounting policies

Basis of preparation and presentation

The Balance Sheet of the Company as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended March 31, 2022 and Notes to the Financial Statements (together referred as 'Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

i. Basis of measurement

The Financial Statements has been prepared on a historical cost basis, except for the following:

- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and
- land at fair value on transition date.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and service.

ii. Going Concern

The Company has incurred a loss of Rs 111.02 million in the current year and Rs 222.06 million in the previous year, further the Company has accumulated losses of Rs 1,430.31 million as at 31st March 2022 (31st March 2021: Rs 1,320.49 Millions) against share capital of Rs 1,407.05 million (31st March 2021 : Rs 1,407.05 million). The current liabilities of the Company exceeded its current assets as at the balance sheet date.

The Company has received a support letter from its Holding Company, Chalet Hotels Limited confirming its support for continued operations of the Company to meet its future obligations in the near future. The Company believes that the same will enable the Company to continue as a going concern.

Further, the management of the Company is of the opinion that the current event & condition arisen on account worldwide outbreak of COVID 19 is not going to cast any significant doubt on the Company's ability to continue as a going concern. Based on the above, these financial statements have been prepared under a going concern assumption.

These financial statements, therefore, do not include any adjustments relating to recoverability and classification of asset and classification of liabilities that may be necessary if the Company was unable to continue as a going concern.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

Significant accounting policies (Continued)

iii. Functional and presentation currency

The Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest millions, except for share data and as otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

iv. Use of estimates and judgments

While preparing the Financial Statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the Balance Sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

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

Judgments, estimates and assumptions are required in particular for:

- Determination of the estimated useful lives

Useful lives of property, plant and equipment and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- Recognition of deferred tax assets

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

Significant accounting policies (Continued)

- **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- **Discounting of long-term financial assets / liabilities**

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

- **Determining whether an arrangement contains a lease**

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. And in case of operating lease, treat all payments under the arrangement as lease payments.

- **Fair value of financial instruments**

Further information about the assumptions made in measuring fair values is included in the following notes:

Note G, H, I & J— impairment test of non-financial assets: key assumptions underlying recoverable amounts; and

(iv) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. 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, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

Significant accounting policies (Continued)

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 2 – Property, plant and equipment
- Note 3 – Capital work in progress
- Note 35 – Financial instruments

1.4 Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.



Belaire Hotels Private Limited

Notes to the Financial Statements (*Continued*)

Significant accounting policies (*Continued*)

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

1.5 Significant accounting policies

A. Revenue

i. Operating Revenue

Operating Revenue is measured at the fair value of the consideration received or receivable. Operating Revenue comprises sale of rooms, food, beverages, smokes and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain.

Revenue recognised is net of indirect taxes, returns and discounts.

ii. Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets on initial recognition. Interest income is included in other income in the Statement of Profit or Loss.

iii. Rental income

Revenues from property leased out under an operating lease are recognised over the tenure of the lease / service agreement on a straight line basis over the term of the lease, except where the rentals are structured to increase in line with expected general inflation, and except where there is uncertainty of ultimate collection.

Initial direct costs incurred by lessors in negotiating and arranging an operating lease is accounted as separate asset and will be recognised as an expense over the lease term on the same basis as the lease income.

B. Foreign currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss.



Belaire Hotels Private Limited

Notes to the Financial Statements (*Continued*)

Significant accounting policies (*Continued*)

B. Foreign currency (*Continued*)

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

C. Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term benefits such as salaries, wages, short-term compensation absences, etc., are determined on an undiscounted basis and recognised in the period in which the employee renders the related service.

ii. Post-employment benefits

Defined contribution plans

Obligations for contributions to defined contribution plans such as Provident Fund and Family pension fund maintained with Regional Provident Fund Office are expensed as the related service is provided.

The following post – employment benefit plans are covered under the defined benefit plans:

- **Gratuity**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus of the Company's defined benefit plans.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.



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Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

Significant accounting policies (Continued)

iii. Terminal Benefits:

All terminal benefits are recognised as an expense in the period in which they are incurred.

D. Income-tax

Income-tax expense comprises current and deferred tax. It is recognised in net profit in the Statement of Profit or Loss except to the extent that it relates to items recognised directly in equity or in the OCI.

i. Current tax

The Company has adopted tax rate 25.17% for year ended March 31, 2022 and March 31, 2021. Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets and therefore the tax charge in the Statement of Profit and Loss.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

Significant accounting policies (Continued)

ii. Deferred tax (Continued)

enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

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

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

A new Section 115BAA was inserted in the Income tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section.

E. Inventories

Stocks of stores, food and beverages and operating supplies (viz. crockery, cutlery, glassware and linen) are carried at the lower of cost and net realisable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is arrived at by the weighted average cost method.

F. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment losses, if any except for freehold land which is not depreciated. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Properties in the course of construction for production, supply or administration purposes are carried at cost, less any impairment loss recognised. Cost includes professional fees and, for qualifying assets borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property, Plant & Equipment when completed and are ready for intended use. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

Significant accounting policies (Continued)

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is provided using the Straight line method (SLM) as per the useful life of the assets estimated by the management.

Depreciation on addition/deletion of Property, plant and equipments made during the year is provided on pro-rata basis from / upto the date of each addition / deletion. The useful lives of assets estimated by management is same as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life is different than that of Schedule II to the Act.

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Operating Furnishing & Supplies	3 Years

Assets costing Rs. 5,000/- or less are depreciated at 100% in the year of capitalisation.

Property, plant and equipment are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell.

G. Intangible assets

Recognition and measurement

Intangible assets comprises of computer software and are measured at cost less any accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure

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

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Intangible assets are amortised on straight-line method over estimated useful life of 4 years, which in management's view represents the economic useful life of these assets.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate prospectively.

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.



Belaire Hotels Private Limited

Notes to the Financial Statements (*Continued*)

Significant accounting policies (*Continued*)

L. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

M. Financial Instruments

1. Financial assets

(a) Recognition and initial measurement

Trade receivable are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

The Company classifies its financial assets into a) financial assets measured at amortised cost, and b) financial assets measured at fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

(i) Financial assets measured at amortised costs

A financial asset is classified at amortised costs if it is held within a business model whose objective is to a) hold financial asset in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interests forms part of finance income in the Statement of Profit and Loss. Any impairment loss arising from these assets are recognised in the Statement of Profit and Loss.

(ii) Financial assets measured at fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which do not meet the criteria for classification as at amortised cost, is classified as FVTPL. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the Statement of Profit or Loss.



Belaire Hotels Private Limited

Notes to the Financial Statements (*Continued*)

Significant accounting policies (*Continued*)

(b) (iii) – *Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or

retained by the Company is recognised as a separate asset and associated liability for any amounts it may have to pay.

(c) *Impairment of financial assets*

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables- The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. 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.

2. **Financial liabilities**

(a) *Recognition, measurement and classification*

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments. 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 at amortised cost includes loan and borrowings, interest free security deposit, interest accrued but not due on borrowings, Retention money payable, trade and other payables. Such financial liabilities are recognised initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Company's financial liabilities at fair value through profit or loss includes derivative financial instruments.



Belaire Hotels Private Limited

Notes to the Financial Statements (*Continued*)

Significant accounting policies (*Continued*)

(b) *Financial guarantee contracts*

The Company on a case to case basis elects to account for financial guarantee contracts as a financial instruments or as an insurance contracts as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance contracts. The Company has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period, the Company performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in Statement of Profit and Loss.

(c) *Derecognition*

The Company derecognises financial liabilities when its contractual obligations are discharged or cancelled or have expired.

3. **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

N. **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when there is 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

O. **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. In determining 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 date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

Significant accounting policies (Continued)

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

a. Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight- line basis over the lease term. The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

b. Company as a lessee

The Company doesn't have any asset under lease

Based on amendment, recognition of new assets and liabilities for its leases of premises and other assets will be done. The nature of expenses related to old liabilities were recognised as lease rent which will change to a) amortisation charge for the right- to use asset, and b) interest accrued on lease liability.

P. 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.

Q. Statement of Cash Flows

Cash flows are reported using indirect method, whereby net profits/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

R. Earnings Per Share (“EPS”)

The basic Earnings Per Share (“EPS”) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



Belaire Hotels Private Limited
Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 2
Property, plant and equipment
Reconciliation of carrying amount

Particulars	Gross block		Accumulated depreciation/ amortisation		Net block			
	Opening balance as at April 1, 2021	Additions	Deductions	Closing balance as at March 31, 2022	Opening balance as at April 1, 2021	Deductions	Closing balance as at March 31, 2022	As at March 31, 2022
Tangible assets								
Freehold land	880.97	-	-	880.97	-	-	-	880.97
Buildings	1,701.60	14.87	-	1,716.47	142.59	30.71	173.30	1,543.17
Plant and machinery	489.22	9.50	-	498.72	183.46	39.50	222.96	275.76
Data processing equipments	7.48	-	-	7.48	7.01	0.37	7.38	0.10
Electrical installations	61.74	0.70	-	62.44	38.82	8.37	47.19	15.25
Furniture and fixtures	99.56	1.10	-	100.66	83.15	13.90	97.05	3.61
Office equipments	0.55	-	-	0.55	0.39	0.11	0.50	0.05
Linen	9.35	-	-	9.35	8.40	0.77	9.17	0.18
Total	3,250.47	26.17	-	3,276.64	463.82	93.73	557.55	2,719.09

Note:

The Company has capitalized foreign exchange differences of Rs. 22.68 millions in the current year (31 March 2021 21.80 millions) arising on translation of external commercial borrowing

Particulars	Gross block		Accumulated depreciation		Net block			
	Opening balance as at April 1, 2020	Additions	Deductions	Closing balance as at March 31, 2021	Opening balance as at April 1, 2020	Deductions	Closing balance as at March 31, 2021	As at March 31, 2021
Tangible assets								
Freehold land	880.97	-	-	880.97	-	-	-	880.97
Buildings	1,715.86	(14.26)	-	1,701.60	112.72	29.87	142.59	1,559.01
Plant and machinery	494.85	(5.60)	0.03	489.22	144.05	39.44	183.46	305.76
Data processing equipments	7.53	(0.03)	0.02	7.48	6.20	0.83	7.01	0.47
Electrical installations	62.17	(0.43)	-	61.74	30.50	8.32	38.82	22.92
Furniture and fixtures	100.79	(1.10)	0.13	99.56	65.03	18.21	83.15	16.41
Office equipments	0.77	-	0.22	0.55	0.39	0.17	0.39	0.16
Operating, Furnishing & Supplies	9.35	-	-	9.35	6.99	1.41	8.40	0.95
Total	3,272.60	(21.42)	0.71	3,250.47	366.10	98.27	463.82	2,786.65

Notes:

1) Refer note 30 for information on Property, plant and equipment pledged as security by the Company.

2) Refer note 31(ii) for contractual



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 3

Capital work-in-progress

1) Details of capital work-in-progress		(Rs. in million)	
Particulars	March 31, 2022	March 31, 2021	
Opening balance	-	-	
Add: Additions during the year	0.27	-	
Closing Balance	0.27	-	

2) Expenses (net) capitalised to capital work-in-progress during the year.

Particulars	(Rs. in million)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Legal and professional charges	0.27	-
Total	0.27	-

3) Capital work in progress (CWIP) Ageing Schedule

Particulars	Capital work-in-progress for a period of			Total
	(Rs. in Million)			
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	0.27	-	-	0.27
Projects temporarily suspended	-	-	-	-
Total	0.27	-	-	0.27

Particulars	Capital work-in-progress for a period of			Total
	(Rs. in Million)			
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 4
Other intangible assets

Particulars	Gross block				Accumulated amortisation			(Rs. in Million) Net block	
	Opening balance as at April 1, 2021	Additions	Deductions	Closing balance as at March 31, 2022	Opening balance as at April 1, 2021	Charged for the year	Deductions	Closing balance as at March 31, 2022	As at March 31, 2022
Computer software	5.69	-	-	5.69	4.65	0.59	-	5.24	0.44
Total	5.69	-	-	5.69	4.65	0.59	-	5.24	0.44

As at March 31, 2021

Particulars	Gross block				Accumulated amortisation			Net block	
	Opening balance as at April 1, 2020	Additions	Deductions	Closing balance as at March 31, 2021	Opening balance as at April 1, 2020	Charged for the year	Deductions	Closing balance as at March 31, 2021	As at March 31, 2021
Computer software	5.52	0.17	-	5.69	4.06	0.59	-	4.65	1.04
Total	5.52	0.17	-	5.69	4.06	0.59	-	4.65	1.04



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Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

Particulars	(Rs. in million)	
	As at March 31, 2022	As at March 31, 2021
Note 5		
Other Investments		
Measured at fair value through profit and loss		
Unquoted, fully paid up:		
Investments in equity shares (non-trade, unquoted)		
In other companies (equity shares of Rs.10/- each fully paid)(Shares issued at premium of Rs 10)		
209,650 (March 31, 2021: Nil) shares of Krishna Valley Power Private Limited	4.20	-
	4.20	-
Aggregate amount of unquoted securities	4.20	-
Aggregate amount of quoted securities	-	-
Market value of quoted securities	-	-
Aggregate amount of impairment in the value of investments	-	-
Note 6		
Other non-current financial assets		
<i>(Unsecured, considered good)</i>		
To other than related parties		
Deposits with banks with more than 12 months maturity	4.38	11.54
Deposits	11.11	10.97
Security deposits	15.49	22.51
- Includes accrued interest of Rs. 1.56 million (31 March 2021: Rs. 5.65 million)		
Note 7		
Other non-current assets		
<i>(Secured, unsecured, considered good)</i>		
To other than related parties		
Prepayments	-	1.54
	-	1.54
Note 8		
Inventories		
<i>(valued at lower of cost and net realisable value)</i>		
Hospitality :		
Food, beverages and smokes	2.11	1.65
Stores and spares	0.89	0.98
	3.00	2.63



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 9
Trade receivables
(Unsecured, considered good, unless otherwise stated)

Trade receivables	8.21	4.04				
Less: Allowance for doubtful trade receivables	(0.00)	(0.29)				
Considered good	8.21	3.75				
Trade receivables	0.06	0.24				
Less: Allowance for doubtful trade receivables	-	-				
Trade Receivables which have significant increase in Credit Risk	0.06	0.24				
Trade receivables	-	-				
Less: Allowance for doubtful trade receivables	-	-				
Credit Impaired	-	-				
Unbilled revenue	3.05	0.67				
	3.05	0.67				
	11.32	4.66				

Trade receivables Ageing Schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of Invoice					Total
	Unbilled revenue	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	
Undisputed Trade Receivables – considered good	3.05	8.21	-	-	-	11.26
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	0.06	-	-	-	0.06
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	3.05	8.27	-	-	-	11.32

As at March 31, 2021

Particulars	Outstanding for following periods from due date of Invoice					Total
	Unbilled revenue	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	
Undisputed Trade Receivables – considered good	0.67	4.04	-	0.24	-	4.71
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.24
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	0.67	4.04	-	0.24	-	4.95



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Rs. in million)

	As at March 31, 2022	As at March 31, 2021
Note 10 a		
Cash and cash equivalents		
Balance with banks	28.22	2.05
- Current accounts	0.30	0.23
Cash on hand	28.52	2.28
	<u>28.52</u>	<u>2.28</u>
Note 10 b		
Other bank balances		
In term deposit accounts (balances held as margin money)	12.81	3.68
	<u>12.81</u>	<u>3.68</u>
Note 11		
Other current financial assets		
<i>(Unsecured, considered good)</i>		
<i>To other than related parties</i>		
Deposits	1.10	1.65
Security deposits	1.10	1.65
	<u>1.10</u>	<u>1.65</u>
Note 12		
Other current assets		
<i>(Unsecured, considered good)</i>		
<i>To other than related parties</i>		
Advance to suppliers	10.17	1.91
Indirect tax balances/receivable credits	-	0.79
Prepayment	6.93	8.79
Others	2.12	2.90
	<u>19.22</u>	<u>14.39</u>



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Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 13
Share capital

(Rs in Million)

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

Particulars	March 31, 2022	March 31, 2021
(i) Authorised 14,10,00,000 (March 31, 2021: 14,10,00,000) equity shares of the par value of Rs 10.00 each	1,410.00	1,410.00
(ii) Issued, subscribed and paid-up 14,07,04,838 (March 31, 2021: 14,07,04,838) equity shares of the par value of Rs 10.00 each	1,407.05	1,407.05
Total	1,407.05	1,407.05

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	(Rs. in Million)	
	March 31, 2022	March 31, 2021
Equity shares		
Number of equity shares outstanding at the beginning of the year	140,704,838	140,704,838
Number of equity shares outstanding at the end of the year	140,704,838	140,704,838
	Amount	Amount
	1,407.05	1,407.05
	1,407.05	1,407.05

(c) Registered shareholder holding more than 5% equity shares in the Company is set out below:

Particulars	March 31, 2022	
	No. of Shares held	% of Holding
Chalet Hotels Limited	140,704,838	100%
	140,704,838	100%
	No. of Shares held	% of Holding
	140,704,838	100%
	140,704,838	100%

(d) Rights, preferences and restrictions attached to equity shares.

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The equity shareholders are eligible for dividend when recommended by the Board of Directors and approved by the Shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Details of shares held by promoters

As at March 31, 2022						
S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
	Chalet Hotels Ltd	140,704,838	-	140,704,838	100%	0%
		140,704,838	-	140,704,838	100%	
	Total Number of Equity Shares	140,704,838	-	140,704,838	100%	0%
As at March 31, 2021						
S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
	Chalet Hotels Ltd	140,704,838	-	140,704,838	100%	0%
		140,704,838	-	140,704,838	100%	
	Total Number of Equity Shares	140,704,838	-	140,704,838	100%	0%



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

as at March 31, 2022

(Rs. in Million)

	As at March 31, 2022	As at March 31, 2021
Note 14		
Other equity		
Equity Component of Compound Instruments		
Balance at the beginning of the year	845.04	845.04
At the end of the year	845.04	845.04
Retained earnings		
Balance at the beginning of the year	(1,320.49)	(1,099.14)
Add: (Loss) for the year	(109.81)	(221.35)
At the end of the year	(1,430.31)	(1,320.49)
	(585.27)	(475.45)

Nature and purpose of reserves

Equity Component of Compound Instruments

Equity component of Compound Instruments comprises of the impact of fair valuation of fully compulsorily convertible debentures issued by the Company.

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Rs. in Million)

Note 15 Long-term borrowings

Particulars	As at	
	March 31, 2022	As at March 31, 2021
Borrowings Secured		
Rupee term loans	3.54	6.40
i) From bank (refer note A)		
Foreign currency term loans	278.31	564.32
i) From bank (refer note A)	281.86	570.72

A) Terms of repayment

Particulars	Sanction Amount Rs. million	Loan Outstanding as at March 31, 2022 / March 31, 2021 Rs. million	Carrying rate of Interest		Carrying rate of Interest As at March 31, 2022	Repayment/ Modification of terms	Security Details
			As at March 31, 2022	As at March 31, 2021			
TERM LOANS- Rupee Loans							
AXIS Bank Ltd	8.00	6.40 (9.14)	10.65% to 12.00%	11.90%	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable Property, plant & equipments and current assets of the hotel (Both present and future), and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company.	
Foreign Currency Loans							
From Banks							
AXIS Bank Ltd	USD 35 million (drawn only USD 31.15 million)	587.36 (838.32)	4.5% + 6 months LIBOR	4.5% + 6 months LIBOR	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company.	

1) The loans from Axis Bank contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The Company has satisfied these debt covenants except for Debt service coverage ratio as prescribed in the sanction terms of the loans from the bank.

2) Holding Company has given corporate guarantee for any short fall.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Rs. in Million)

Note 16 Provisions	(Rs. in Million)	
	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	1.01	2.23
	1.01	2.23

Note 17 Borrowings	(Rs. in Million)	
	As at March 31, 2022	As at March 31, 2021
Unsecured		
From related parties	1,364.20	1,020.90
Loan from others	-	2.74
Current maturity of long term debt (refer Note 15)	311.90	276.74
	<u>1,676.10</u>	<u>1,300.38</u>

A) Terms of repayment Rate of interest

From Related Parties Particulars	Sanction Amount Rs. million	Carrying rate of Interest As at March 31, 2022	Carrying rate of Interest As at March 31, 2021	Repayment/ Modification of terms	Security Details
Chalet Hotels Limited*	NA	0%	0%		
Genext Hardware & Parks Private Limited	NA	NA	10.00%		

* Company has taken interest free loan from holding company (refer note 37)



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Rs. in Million)

Note 18

Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises and (refer Note 33)	4.37	3.65
Total outstanding dues to creditors other than micro enterprises and small enterprises	30.22	35.87
Total	34.59	39.52

Trade payable Ageing Schedule

As at March 31, 2022

Particulars	Outstanding for following periods from the date of Invoice/Accrual				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	4.37	-	-	-	4.37
Total outstanding dues of creditors other than micro enterprises and small enterprises	30.14	0.07	-	0.01	30.22
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	34.51	0.07	-	0.01	34.59

As at March 31, 2021

Particulars	Outstanding for following periods from the date of Invoice/Accrual				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	3.65	-	-	-	3.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	27.57	7.77	0.36	0.16	35.87
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	31.22	7.77	0.36	0.16	39.52

Note 19

Current - Other financial liabilities

Security deposits	0.90	0.90
Other liabilities	1.95	1.57
Total	2.85	2.47

Note 20

Other current liabilities

Advances from customers towards hospitality services	4.42	1.91
Statutory dues payable*	3.78	1.39
Total	8.20	3.30

* Statutory dues payable includes GST, TDS payable, provident fund payable, indirect taxes

Note 21

Short-term provisions

Provision for gratuity	0.77	0.03
Provision for compensated absences	1.04	0.73
Total	1.81	0.76



Belaire Hotels Private Limited
Notes to the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in Million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Note 22		
Revenue from operations		
(a) Sale of services		
Hospitality:		
Room income	183.39	65.52
Food, beverages and smokes	82.61	33.16
Others services	4.11	2.03
	270.11	100.71



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in Million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Note 22		
Revenue from operations		
(a) Sale of services		
Hospitality:		
Room income	183.39	65.52
Food, beverages and smokes	82.61	33.16
Others services	4.11	2.03
	<u>270.11</u>	<u>100.71</u>

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Note 23		
Other income		
Interest income from instruments measured at amortised	2.28	2.22
Interest on income tax refund	-	0.81
Bad debts recovered	0.28	2.25
Miscellaneous income	6.03	4.89
	<u>8.59</u>	<u>10.17</u>

Note 24 a

Food and beverages consumed*

Food and beverages materials at the beginning of the year	1.65	2.09
Purchases	21.21	7.91
Food and beverages materials at the end of the year	2.11	1.65
	<u>20.75</u>	<u>8.35</u>



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in Million)

Note 24 b

Operating supplies consumed

Purchases	11.91	6.53
	<u>11.91</u>	<u>6.53</u>

Note 25

Employee benefits expense

Salaries, wages and bonus	50.42	43.21
Contributions to provident fund and other funds	3.51	3.44
Staff welfare expenses	6.57	4.68
	<u>60.50</u>	<u>51.33</u>

Note 26

Other expenses

Travelling and conveyance expenses	2.22	2.08
Power and fuel	46.37	30.02
Rent	-	0.76
Repairs and maintenance		
- Buildings	10.33	6.53
- Plant and machinery	3.18	3.64
- Others	0.94	0.76
Insurance	2.99	2.80
Rates and taxes	17.53	16.82
Business promotion expenses	4.87	1.87
Commission	16.09	5.91
Royalty and management fees	9.05	2.12
Legal and professional charges	4.30	3.52
Other hotel operating cost	0.74	0.43
Payment to auditors (Refer Note 34)	2.18	2.82
Buyout labour & manpower contract	14.06	7.58
Miscellaneous expenses	26.24	12.60
	<u>161.11</u>	<u>100.27</u>

Note 27

Finance costs

Interest expenses	41.13	67.60
	<u>41.13</u>	<u>67.60</u>



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 28

Tax expense

(Rs. in Million)

(a) Amounts recognised in Statement of Profit and Loss for continuing operations

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current income tax expense		
Current tax	-	-
Current year		
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	-
Change in tax rates	-	-
Deferred tax charge/ (credit)		
Tax charge/ (credit) for the year	-	-

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	1.21	-	1.21	0.71	-	0.71
	1.21	-	1.21	0.71	-	0.71



Belaire Hotels Private Limited
Notes to the Financial Statements (Continued)

as at March 31, 2022

Note 28

Tax expenses (Continued)

(c) Movement in deferred tax balances

Particulars	(Rs. in Million)		
	As at 31 March 2021	Change for the year	As at 31 March 2022
Movement in deferred tax balances for the year ended March 31, 2022			
Deferred tax asset/(liabilities)			
On unabsorbed depreciation	338.14	75.24	413.38
On unabsorbed Loss	24.64	60.42	85.06
Origination and reversal of temporary differences	0.17	-	0.17
Deferred tax assets/(liabilities)	362.94	135.67	498.61

Particulars	(Rs. in Million)		
	As at 31 March 2020	Change for the year	As at 31 March 2021
Movement in deferred tax balances for the year ended March 31, 2021			
Deferred tax asset/(liabilities)			
On unabsorbed depreciation	308.05	30.09	338.14
On unabsorbed Loss		24.64	24.64
Origination and reversal of temporary differences	0.48	(0.31)	0.17
Deferred tax assets/(liabilities)	308.53	54.42	362.94

Note:

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Unrecognised deferred tax assets:

As on the balance sheet date, there is a net deferred tax asset amounting to Rs. 85.06 millions (As at 31st March, 2021 Rs. 111.91 millions). The deferred tax asset is not recognised considering full losses incurred by the Company till date because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom.

Particulars	March 31, 2022			March 31, 2021		
	Gross amount	DTA not recognised	Expiry date	Gross amount	DTA not recognised	Expiry date
Unabsorbed depreciation	1,184.80	414.02	NA	1,184.80	414.02	NA
Total	1,184.80	414.02		1,184.80	414.02	



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
for the year ended March 31, 2022

Note 29

Earnings Per Share (EPS) (IND AS 33)

(Rs. in Million)

Particulars	March 31, 2022	March 31, 2021
1 (Loss) attributable to equity shareholders	(111.02)	(222.06)
2 Calculation of weighted average number of equity shares		
(a) Number of shares at the beginning of the year	140,704,838	140,704,838
(b) Number of equity shares outstanding at the end of the year	140,704,838	140,704,838
3 Earnings per share (Rs.)		
Basic	(0.79)	(1.58)
Diluted	(0.79)	(1.58)



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Note 30
Employee benefits

(Rs. in Million)

a) Defined contribution plan

The contributions paid/payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Statement of Profit and Loss during the year in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year

Particulars	March 31, 2022	March 31, 2021
Employer's contribution to Provident Fund and ESIC	3.51	3.44
	<u>3.51</u>	<u>3.44</u>

b) Defined benefit plan

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

Particulars	March 31, 2022	March 31, 2021
Defined benefit obligation	1.79	3.29
Less: Fair value of plan assets	(2.50)	(2.50)
Net defined benefit obligation	(0.71)	0.79

Fair value of the plan assets and present value of the defined benefit obligation

The amount included in the Balance sheet arising from the Group's obligation and plan assets in respect of its defined benefit schemes is as follows:

Particulars	March 31, 2022	March 31, 2021
1 Movement in defined benefit obligation:		
At the beginning of the year	3.29	3.87
Liabilities assumed on business combination		
Recognised in profit or loss		
Current service cost	0.84	0.84
Interest cost	0.15	0.26
Due to change in demographic assumptions	(0.50)	-
Due to change in financial assumptions	0.04	0.03
Due to experience	(0.76)	-0.73
Benefit paid	(1.29)	-0.98
At the end of the year	1.79	3.29
2 Movement in fair value of plan assets:		
At the beginning of the year	2.50	2.34
Interest income	-	0.16
At the end of the year	2.50	2.50
3 Recognised in profit or loss		
Current service cost	0.84	0.84
Interest expense	0.15	0.26
Interest income	-	(0.16)
For the year	1.00	0.95
4 Recognised in other comprehensive income		
Actuarial (gains)/losses on obligations	(1.21)	(0.71)
For the year	(1.21)	(0.71)
5 Plan assets for this Fund are insurance funds. (100%)		



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Note 30

Employee benefits (Continued)

- 6 The principal actuarial assumptions used for estimating The Company's benefit obligations are set out below (on a weighted average basis):

Employees of Belaire Hotels Private Limited

Particulars

	March 31, 2022	March 31, 2021
Rate of increase in salaries (%)	4.56%	5%
Discount rate (%)	5%	6.79%
Employee turnover rate	0 -56%	1 -3%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

- 7 Sensitivity of the defined benefit obligation

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.02)	0.02	(0.20)	0.23
Rate of increase in salaries (1% movement)	0.02	(0.02)	0.23	(0.21)

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting year has been applied.

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

- 8 Expected contributions to gratuity fund for the year ended March 31, 2022 is Rs 0.77 million (March 31, 2021: Rs 0.04 million)

- 9 The expected future cash flows as at March 31, 2022 were as follows

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
March 31, 2022					
Defined benefit obligation (gratuity - non funded)	0.77	0.50	0.46	0.05	1.79
March 31, 2021					
Defined benefit obligation (gratuity - non funded)	0.04	0.05	0.18	3.02	3.29
Defined benefit obligation (gratuity)	0.03	0.03	0.12	2.09	2.26
Defined benefit obligation (gratuity)	0.02	0.02	0.06	0.94	1.03

- (c) Short-term compensated absences:

Compensated absences, classified as long term benefits is recognised as an expense and included in "Employee benefits expense" in the Statement of Profit and Loss during the year. The following table provides details in relation to compensated absences.

Particulars	March 31, 2022	March 31, 2021
Expenses for the year	0.29	0.27
Closing balance	1.04	0.73



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Note 31

Operating leases

Effective 1 April 2019, The Company has adopted Ind AS 116 Leases, applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

A. Leases as lessor

The Company leases office premises and shops in hotel premises.

i) Amount recognised in the Statement of Profit and Loss :

(Rs. in Million)

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from lease of office premises included in revenue from operations	2.10	2.10
Total	2.10	2.10

ii) Future minimum lease receivables under non cancellable operating lease of shops in hotels and office premises :

Future minimum lease receivables	For the year ended March 31, 2022	For the year ended March 31, 2021
Less than one year	2.10	2.10
Between one and five years	9.24	11.35
More than five years	285.35	285.35
	296.69	298.80

B. Leases as lessee

The Company also leases IT and other equipments. All leases are either short term and/or leases of low-value items. The company has elected not to recognise right-of-use assets and lease liabilities for these leases.

i) Amount recognised in Statement of Profit or Loss :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Low value lease expenses	-	-
Short-term lease expenses	3.22	0.76
Total lease expense	3.22	0.76

ii) Amount recognised in statement of cash flows :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Low value lease expenses	-	-
Short-term lease expenses	3.15	0.76
Total cash outflow on leases	3.15	0.76



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

as at March 31, 2022

(Rs. in Million)

Note 32

Contingent liabilities and commitments (to the extent not provided for)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Contingent liabilities		
<i>Claims against the Company not acknowledged as debts</i>		
Guarantees Given by the Banks and Counter Guarantees By the Company	593.76	64.93
EPCG obligation	4.34	
Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4.50	



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

as at March 31, 2022

Note 33

Total outstanding dues of micro enterprises and small enterprises

During the year, Micro small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same.

Particulars	(Rs. in Million)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
The amounts remaining unpaid to micro and small enterprises as at the end of the year.		
Principal	4.37	3.64
Interest	-	0.01
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 34

Payment to auditors

Particulars	(Rs. in Million)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fees	1.94	2.63
Tax audit fees	0.10	0.10
Other services	0.05	0.03
Out of pocket expenses	0.09	0.07
Amount debited to Statement of Profit and Loss (excluding taxes)*	2.18	2.82

* includes fees paid to erstwhile Auditor Rs. Nil (31 March 2021 : Rs. 1.48 million)



Belaire Hotels Private Limited
Notes to the Financial Statements (Continued)
as at March 31, 2022

(Rs. in Million)

Note 35
Financial instruments - Fair values and risk management

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2022	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares	4.20	-	4.20	-	-	4.20	4.20
Other non-current financial assets	-	15.49	15.49	-	-	15.49	15.49
Current financial assets							
Trade receivables	-	11.32	11.32	-	-	-	-
Cash and cash equivalents	-	28.52	28.52	-	-	-	-
Other bank balances	-	12.81	12.81	-	-	-	-
Other current financial assets	-	1.10	1.10	-	-	-	-
	4.20	69.25	73.45	-	-	19.70	19.70
Non-current financial liabilities							
Borrowings	-	281.86	281.86	-	-	281.86	281.86
Current financial liabilities							
Borrowings	-	1,676.10	1,676.10	-	-	-	-
Trade payables	-	34.59	34.59	-	-	-	-
	-	1,992.55	1,992.55	-	-	281.86	281.86
March 31, 2021							
Non-current financial assets							
Others	-	22.51	22.51	-	-	22.51	22.51
Current financial assets							
Trade receivables	-	4.66	4.66	-	-	-	-
Cash and cash equivalents	-	2.28	2.28	-	-	-	-
Other bank balances	-	3.68	3.68	-	-	-	-
Other current financial assets	-	1.65	1.65	-	-	-	-
	-	34.78	34.78	-	-	22.51	22.51
Non-current financial liabilities							
Borrowings	-	570.72	570.72	-	-	570.72	570.72
Current financial liabilities							
Borrowings	-	1,300.38	1,300.38	-	-	-	-
Trade payables	-	39.52	39.52	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
	-	1,910.61	1,910.61	-	-	570.72	570.72



Belaire Hotels Private Limited
Notes to the Financial Statements (Continued)

as at March 31, 2022

Financial Instruments - Fair values and risk management (Continued)

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach, and for certain equity shares equals to the cost.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk;
- Market risk;

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Board of Director oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 35

Financial instruments – Fair values and risk management (Continued)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

(a) Trade receivables from customers

The Company does not have any significant credit exposure in relation to revenue generated from hospitality business. For other segments the company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Particulars	(Rs. in Million)	
	March 31, 2022	March 31, 2021
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Less than 6 months	8.21	4.28
More than 6 months	-	(0.29)
Total	8.21	3.99
(c) Trade Receivables which have significant increase in Credit Risk; and	0.06	0.24
(d) Trade Receivables - credit impaired	-	-

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

Particulars	March 31, 2022	March 31, 2021
Balance as at March 31	0.29	2.54
Impairment loss recognised / (reversed)	(0.29)	(2.25)
Balance as at March 31	(0.00)	0.29

(b) Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

(c) Other financial assets

Other financial assets are neither past due nor impaired.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Rs. in million)

Note 35

Financial instruments – Fair values and risk management (Continued)

(C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2022	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings	593.76	627.04	333.14	293.32	0.58	-
Current, non derivative financial liabilities						
Borrowings	1,364.20	1,364.20	1,364.20	-	-	-
Trade payables	34.59	34.59	34.59	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	2.85	2.85	2.85	-	-	-
Total	1,995.40	2,028.68	1,734.78	293.32	0.58	-

March 31, 2021	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings	847.46	847.46	274.07	296.58	276.81	-
Current, non derivative financial liabilities						
Borrowings	1,020.90	1,023.64	1,023.64	-	-	-
Trade payables	39.52	39.52	39.52	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	2.47	2.47	2.47	-	-	-
Total	1,910.35	1,913.08	1,339.70	296.58	276.81	-

The gross outflows / (inflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 35 Financial instruments – Fair values and risk management (Continued)

(D) Market risk

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

(E) Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may continue to fluctuate substantially in the future.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represent the exposure to respective currency in Indian Rupees :

Particulars	March 31, 2022			March 31, 2021	
	USD	EUR	GBP	USD	EUR
Financial liabilities					
Foreign currency loans (including interest accrued)	592.49	-	-	849.16	-
	592.49	-	-	849.16	-
Net exposure	592.49	-	-	849.16	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at 31 March, would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	March 31, 2022		March 31, 2021	
	Strengthening	Weakening	Strengthening	Weakening
Effect in INR (before tax)				
USD (1% movement)	5.92	(5.92)	8.49	(8.49)
	Profit or loss before tax			



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Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Rs. in million)

Note 35

Financial instruments – Fair values and risk management (Continued)

(F) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Group adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Particulars of outstanding interest rate swaps as at

March 31, 2022	NIL
March 31, 2021	NIL

Exposure to interest rate risk

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

Particulars	Carrying amount	
	March 31, 2022	March 31, 2021
Fixed-rate instruments		
<i>Current borrowings</i>		
Total	-	-
Variable-rate instruments		
<i>Non current borrowings</i>		
Rupee term loans from banks	3.54	6.40
Foreign currency term loans from banks	278.31	564.32
<i>Current borrowings</i>		
Current maturity of long term debt	311.90	276.74
Loans from related parties	1,364.20	1,020.90
Loan from Others	-	2.74
Total	1,957.96	1,868.36
TOTAL	1,957.96	1,868.36

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

Particulars	Profit or loss before tax	
	100 bps increase	100 bps decrease
March 31, 2022	(19.58)	19.58
March 31, 2021	(18.68)	18.68



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

as at March 31, 2022

(Rs. in Million)

Note 35

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at is as follows:

Particulars	March 31, 2022	March 31, 2021
Total borrowings	1,957.96	1,871.10
Less: Cash and cash equivalents	28.52	2.28
Less: Bank deposits	12.81	3.68
Adjusted net debt	1,916.63	1,865.14
Total equity	821.78	931.60
Adjusted net debt to adjusted equity ratio	2.33	2.00

Note 36

Segment reporting

(i) The Company is exclusively engaged in the business of "hotel services". This in the context of Ind Accounting Standard (Ind AS 108) "Operating Segment", constitutes single primary segment.

(ii) There is no geographical segment to be reported since all the operations are undertaken in India.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
for the year ended March 31, 2022

Note 37

Related Party Disclosures, as required by Indian Accounting Standard 24 are given below:

Relationship	March 31, 2022	March 31, 2021
<u>Shareholders of the Company</u>	Chalet Hotels Limited	Chalet Hotels Limited w.e.f. February 03, 2020
<u>Fellow Subsidiary Company</u>	Seapearl Hotels Private Limited Chalet Hotels & Properties (Kerala) Private Limited	Seapearl Hotels Private Limited Chalet Hotels & Properties (Kerala) Private Limited
<u>Enterprises controlled/jointly controlled by Non-executive Directors</u>	Seapearl Hotels Private Limited	Seapearl Hotels Private Limited
<u>Key Managerial Personnel / Relative (KMP)</u>	Rajib Dattaray, CFO & Executive Director (resigned w.e.f. 30th September 2021) Gaurav Giria, Manager & CFO (appointed w.e.f. 15th March 2022)	Rajib Dattaray, CFO & Executive Director
<u>Non- Executive Directors/Relative</u>	Sanjay Sethi Milind Wadekar Karuna Nasta	Sanjay Sethi Milind Wadekar Karuna Nasta
<u>Other KMP as per Companies Act, 2013</u>	Anshu Shroff, Company Secretary (resigned w.e.f. 31st March 2022)	Anshu Shroff, Company Secretary



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)
for the year ended March 31, 2022

Note 37

Related party disclosures, as required by Indian Accounting Standard 24 are given below:

Related party disclosures for Year ended March 31, 2022

Particulars	Holding company	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
Salaries, wages and bonus	-	2.90	-
Other Expenses (including Insurance premium paid by Chalet)	1.51	-	-
Loans Borrowed	343.30	-	-
Balances outstanding as at the year-end			
Equity component of Fully Compulsorily Convertible Debentures	845.04	-	-
Loans Payable	1,364.20	-	-
Trade Payables	1.45	-	-

Significant transactions with material related parties for year ended March 31, 2022

Particulars	Holding company	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
Other expenses			
Chalet Hotels Limited	1.51	-	-
Loans Borrowed			
Chalet Hotels Ltd	343.30	-	-
Salaries, wages, bonus and stock option related expenses			
Rajib Dattaray	-	2.90	-
Trade Payables			
Chalet Hotels Ltd	1.45	-	-

Related party disclosures for Year ended March 31, 2021

Particulars	Holding company	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
Salaries, wages, bonus and stock option related expenses	-	3.67	-
Equity component of Fully Compulsorily Convertible Debentures	-	-	-
Loans Borrowed	359.60	-	-
Reimbursement of expenses	2.67	-	-
Balances outstanding as at the year-end			
Equity component of Fully Compulsorily Convertible Debentures	845.04	-	-
Loans Payable	1,020.90	-	-
Trade Payable	2.41	-	-

Significant transactions with material related parties for year ended March 31, 2021

Particulars	Holding company	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
Salaries, wages, bonus and stock option related expenses			
Rajib Dattaray	-	3.67	-
Loans Borrowed			
Chalet Hotels Limited	359.60	-	-
Loan payable			
Chalet Hotels Ltd	-	1,020.90	-

The holding company of the Company, Chalet Hotels Limited has given letter confirming its commitment to provide financial support in order to meet the shortfall in its fund requirement over banks and for its working capital requirement which will enable it to operate and settle its liabilities and obligations as and when they become due and payable for a period not less than 12 months from the date of financial closure of the accounts of the Company for the year ended March 31, 2022.



Belaire Hotels Private Limited
Notes to the Financial Statements (Continued)
as at March 31, 2022

Note 38
Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance (more than 25%)
Current ratio	Current Assets	Current Liabilities	0.04	0.02	103%	Current ratio was higher due to recovery of hotel business post pandemic
Debt-Equity Ratio	Total Debt	Shareholder's Equity	2.38	2.01	19%	
Debt Service Coverage ratio	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest	Debt Service=Interest+Current maturity of LT debt	0.07	(0.16)	146%	Return on Debt service improved due to progressive recovery of business on account of reduced impact of pandemic.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	(0.13)	(0.24)	44%	Return on Equity ratio improved due to progressive recovery of business on account of reduced impact of pandemic
Inventory Turnover ratio	Cost of goods sold	Average Inventory of Hotel Unit	7.38	2.72	171%	Inventory turnover ratio was higher due to recovery of hotel business post pandemic
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	33.80	7.22	368%	Trade Receivable turnover ratio was higher due to recovery of hotel business post pandemic.
Trade Payable Turnover Ratio	Total Expenses - Employee Cost- Non-cash expenses	Average Trade Payables	5.23	2.79	88%	Trade payable turnover ratio was due to higher credit period on account of improved business
Net Capital Turnover Ratio	Revenue from operations	Working capital = (Current assets - Current liabilities)	(0.16)	(0.08)	-114%	With respect to stabilize the growth of hotel business, additional short term loans were obtained resulting incremental Net capital ratio
Net Profit ratio	Net Profit	Total Income	(0.39)	(2.00)	80%	Net profit ratio improved due to progressive recovery of business on account of reduced impact of pandemic
Return on Capital Employed	EBIT	Average Capital Employed	(0.05)	(0.09)	-39%	Return on Capital Employed improved due to progressive recovery of business on account of reduced impact of pandemic
Return on Investment	Net Profit	Gross block of PPE & Intangible	(0.03)	(0.07)	-51%	Return on Investment improved due to progressive recovery of business on account of reduced impact of pandemic

Note 39
Details of Struck Off Companies
As on 31 March 2021

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed
NIL	Investments in securities Receivables Payables Other outstanding balances (to be specified)	
Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed
NIL	Investments in securities Receivables Payables Other outstanding balances (to be specified)	



Handwritten signature/initials



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March 2022

Note 40

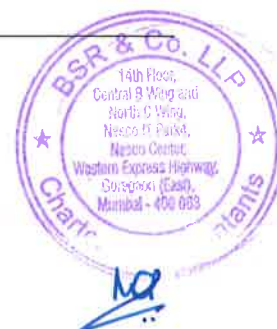
The novel coronavirus (COVID-19) pandemic has spread around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

While the outbreak has had an impact on almost all entities either directly or indirectly, the tourism and hospitality industry has been adversely impacted with the spread of COVID-19, with widespread lockdowns being enforced across the world. The Indian Government and various state government have announce lockdown to control the spread of the COVID-19 pandemic in phased manner. The short-term impact of COVID-19 is contingent on various external factors such as lifting of the travel restrictions and revival of the economy.

The Company has adjusted the measurement of certain financial assets as of and for the year ended 31 March 2022 to reflect the impact due to COVID-19. The duration and impact of the COVID-19 pandemic, remains unclear at this time. Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for the current year including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets including on going concern assumption.

The Company has assessed the possible effects that may result from COVID-19 on the carrying amounts of Property, plant and equipment, Investment properties, Trade Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Management has considered the possible effects on the various financial statement captions as below:

Financial statement caption	Impact
Inventories	There are no expired or near expiry inventory as on March 31, 2022 identified by the management and no provision has been recorded in the financial statements.
Trade Receivables	Considering no delay in collection from the customers during the year, the management is of the opinion that no credit loss provision is required and accordingly no credit loss provision is recorded in the financial statements.
Financial instrument risk and disclosures	Due to the rapidly changing economic environment, the Company is subject to new or increasing risk (e.g. credit, liquidity, or market risk) or concentrations of risk. Consequently, additional risk disclosures have been included in Note 34 of the financial statements.
Fair value measurement	Due to the rapidly changing economic environment, the Company is subject to new or increasing risk (e.g. credit, liquidity, or market risk) or concentrations of risk. Consequently, additional risk disclosures have been included in Note 34 of the financial statements.



Belaire Hotels Private Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March 2022

Note 41(a)

The Board of Directors of the Company at its meeting held on September 03, 2020 has approved Scheme of Amalgamation of the Company with Chalet Hotels Limited (Holding Company) with an appointed date of April 01, 2020. The proposed amalgamation is subject to the approval of the statutory and regulatory authorities. An application for approval of the scheme of amalgamation was filed with the National Company Law Tribunal on September 21, 2020 and post receipt of approval from the shareholders of the Holding Company, Petition has been filed with the National Company Law Tribunal. The order from the Tribunal in this regard is awaited

Note 41(b)

The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 42

Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.


As per our audit report of even date attached

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



Mansi Pardiwalla
Partner
Membership No: 108511

For and on behalf of the Board of Directors of
U55101MH2007PTC170789
Belaire Hotels Private Limited


Sanjay Sethi / Milind Wadekar
Director / Director
DIN. 00641243 / DIN. 08627229


Gaurav Girja
CFO

(Membership No. 069269
Mumbai
Date : 9 May 2022

Mumbai
Date : 9 May 2022