

Independent Auditor's Report

To the Members of Paulmech Hospitality Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Paulmech Hospitality Private Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

Paulmech Hospitality Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible 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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

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

Independent Auditor's Report (Continued)

Paulmech Hospitality Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - 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 10 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations 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 their knowledge and belief, as disclosed in the Note 33(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 33(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account, however, the feature of recording audit trail (edit log) facility has not been enabled. Consequently, we are unable to comment on audit trail feature



Independent Auditor's Report (Continued)

Paulmech Hospitality Private Limited

of the said software.

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

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

For B S R & Co. LLP

Chartered Accountants

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


Shweta Kumar

Partner

Place: Gurugram

Date: 28 May 2025

Membership No.: 509822

ICAI UDIN:25509822BMXIBB2800

Annexure A to the Independent Auditor's Report on the Financial Statements of Paulmech Hospitality Private Limited for the year ended 31 March 2025

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, property, plant and equipment were verified during the year ended 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. No discrepancy was noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property disclosed in the financial statements is held in the name of the Company. However, original title deed is under lien with bank for the loan facilities availed by the Company. Therefore, we could not verify that title deed and have not received independent confirmation from bank for the same.
- (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 during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, the Company does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Paulmech Hospitality Private Limited for the year ended 31 March 2025 (Continued)

- (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, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Income-Tax and Professional Tax.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 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 Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (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 or in the payment of interest thereon to any lender. As at 31 March 2025, the Company has interest free loans of INR 216,500 thousands from SAMHI Hotels Limited ("ultimate holding company") and INR 147,669 thousands from Barque Hotels Private Limited ("holding company"), repayable at the option of the Company and accordingly classified as "Other equity". As these loans are repayable at the option of the Company, there has been no default in repayment thereof.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short-term basis aggregating to INR 38,553 thousands for long-term purposes.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer

Annexure A to the Independent Auditor's Report on the Financial Statements of Paulmech Hospitality Private Limited for the year ended 31 March 2025 (Continued)

- (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our 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 year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a wholly owned subsidiary of a public limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) 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 its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs 9,246 thousands in the current financial year and Rs 12,925 thousands in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) We draw attention to Note 32 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 2025. Further, the Company's current liabilities exceed its current assets as at 31 March 2025

Annexure A to the Independent Auditor's Report on the Financial Statements of Paulmech Hospitality Private Limited for the year ended 31 March 2025 (Continued)

by Rs. 39,572 thousands.

Further, it explains the management's assessment of going concern assumption and its assertion that based on best estimates made by it, the Company will continue as a going concern i.e. continue its operations and will be able to discharge its liabilities and realise its assets, for the foreseeable future. The Company has obtained support letter from Ultimate Holding Company for providing operational and financial support for atleast one year from the date of signing of the financial statements.

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

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248WW-100022


Shweta Kumar

Partner

Place: Gurugram

Date: 28 May 2025

Membership No.: 509822

ICAI UDIN:25509822BMXIBB2800

Annexure B to the Independent Auditor's Report on the financial statements of Paulmech Hospitality Private Limited for the year ended 31 March 2025

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Paulmech Hospitality Private Limited ("the Company") as of 31 March 2025 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 2025, 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 and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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

**Annexure B to the Independent Auditor's Report on the financial statements of Paulmech Hospitality Private Limited for the year ended 31 March 2025
(Continued)**

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



Shweta Kumar

Partner

Place: Gurugram

Date: 28 May 2025

Membership No.: 509822

ICAI UDIN:25509822BMXIBB2800

Paulmech Hospitality Private Limited

CIN - U55101WB2010PTC151700

Balance Sheet as at 31 March 2025

(All amounts are in Indian Rupees ('000), unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	79,200	79,200
Capital work-in-progress	3	4,45,041	1,54,452
Financial assets			
Other financial assets	4	10,106	196
Income tax assets (net)	5	2,079	2,064
Other non-current assets	6	5,363	6,445
Total non-current assets		5,41,789	2,42,357
Current assets			
Financial assets			
Cash and cash equivalents	7	3,264	1,152
Other current assets	8	22,685	6,097
Total current assets		25,949	7,249
TOTAL ASSETS		5,67,738	2,49,606
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	19,978	19,978
Other equity	10	2,81,141	2,21,387
Total equity		3,01,119	2,41,365
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11	2,00,991	-
Provisions	12	107	-
Total non-current liabilities		2,01,098	-
Current liabilities			
Financial liabilities			
Borrowings	13	1,019	-
Trade payables	14	-	-
- total outstanding dues of micro enterprises and small enterprises; and		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		5,361	313
Other financial liabilities	15	57,496	7,688
Other current liabilities	16	1,601	240
Provisions	17	44	-
Total current liabilities		65,521	8,241
Total liabilities		2,66,619	8,241
TOTAL EQUITY AND LIABILITIES		5,67,738	2,49,606

The notes from Note 1 to Note 33 form an integral part of these financial statements.

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

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


Shweta Kumar
Partner

Membership No.: 509822

Place: Gurugram

Date: 28 May 2025

For and on behalf of Board of Directors of

Paulmech Hospitality Private Limited


Gyana Das
Director
DIN : 03563467

Place: Gurugram

Date: 28 May 2025


Manish Bhagat
Director
DIN : 08092409

Place: Gurugram

Date: 28 May 2025

Paulmech Hospitality Private Limited
CIN - U55101WB2010PTC151700
Statement of Profit and Loss for the year ended 31 March 2025
(All amounts are in Indian Rupees ('000), unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Other income	19	151	76
Total income		151	76
Expenses			
Employee benefits expense	20	3,815	-
Other expenses	22	5,582	1,589
		9,397	1,589
Loss before finance costs and tax		(9,246)	(1,513)
Finance costs	21	-	15,429
		-	15,429
Loss before tax		(9,246)	(16,942)
Tax expense / (income)	18		
Current tax		-	-
Tax expense related to earlier years		-	(4,017)
		-	(4,017)
Loss for the year		(9,246)	(12,925)
Total comprehensive loss for the year		(9,246)	(12,925)
(Loss) per equity share	23		
Face value of INR 10 each			
Basic (INR)		(4.63)	(6.47)
Diluted (INR)		(4.63)	(6.47)

The notes from Note 1 to Note 33 form an integral part of these financial statements.

As per our report of even date attached.

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


Shweta Kumar
Partner
Membership No.: 509822

Place: Gurugram
Date: 28 May 2025

For and on behalf of Board of Directors of
Paulmech Hospitality Private Limited


Gyana Das
Director
DIN : 03563467

Place: Gurugram
Date: 28 May 2025


Manish Bhagat
Director
DIN : 08092409

Place: Gurugram
Date: 28 May 2025

Paulmech Hospitality Private Limited
CIN - U55101WB2010PTC151700
Statement of Changes in Equity for the year ended 31 March 2025
(All amounts are in Indian Rupees('000), unless otherwise stated)

a. Equity share capital

Particulars	Number of shares	Amount
As at 1 April 2023	19,97,752	19,978
Changes in equity share capital during the year	-	-
As at 31 March 2024	19,97,752	19,978
Changes in equity share capital during the year	-	-
As at 31 March 2025	19,97,752	19,978

b. Other equity (refer note 10)

Particulars	Equity component of interest free loan (unsecured) from holding company	Equity component of interest free loan (unsecured) from Ultimate Holding company	Reserves and surplus		Total Other equity
			Securities premium	Retained earnings	
Balance as at 1 April 2023	-	-	12,920	(73,777)	(60,857)
Loss for the year	-	-	-	(12,925)	(12,925)
Loan transferred from borrowings	2,67,669	-	-	-	2,67,669
Loan received	27,500	-	-	-	27,500
Balance as at 31 March 2024	2,95,169	-	12,920	(86,702)	2,21,387
Loss for the year	-	-	-	(9,246)	(9,246)
Loan received	27,500	2,16,500	-	-	2,44,000
Repayment of loan	(1,75,000)	-	-	-	(1,75,000)
Balance as at 31 March 2025	1,47,669	2,16,500	12,920	(95,948)	2,81,141

The notes from Note 1 to Note 33 form an integral part of these financial statements.

As per our report of even date attached.

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


Shweta Kumar
Partner
Membership No.: 509822

Place: Gurugram
Date: 28 May 2025

For and on behalf of Board of Directors of
Paulmech Hospitality Private Limited


Gyana Das
Director
DIN : 03563467

Place: Gurugram
Date: 28 May 2025


Manish Bhagat
Director
DIN : 08092409

Place: Gurugram
Date: 28 May 2025

Paulmech Hospitality Private Limited
CIN - U55101WB2010PTC151700
Statement of Cash Flows for the year ended 31 March 2025
(All amounts are in Indian Rupees ('000), unless otherwise stated)

	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash flow from operating activities		
Loss before tax	(9,246)	(16,942)
Adjustments for:		
Finance costs	-	15,429
Interest income	(151)	(76)
Operating profit before working capital changes	(9,397)	(1,589)
(Increase) in other financial assets	(3,042)	-
(Increase) / decrease in other assets	(15,760)	867
Increase in trade payables	5,049	8
Increase / (decrease) in other liabilities	1,361	(34)
Increase in other financial liabilities	11,911	-
Increase in provisions	151	-
Cash used in operations	(9,727)	(748)
Income taxes paid	(15)	(2,064)
Net cash used in operating activities (A)	(9,742)	(2,812)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and Capital work-in-progress	(2,46,634)	(25,661)
Proceeds from maturity of bank deposits	-	8,300
Bank deposits made	(6,732)	(8,300)
Interest received	15	76
Net cash used in investing activities (B)	(2,53,351)	(25,585)
C. Cash flow from financing activities		
Proceeds from non-current borrowing	2,03,958	-
Finance cost paid	(7,753)	(1,678)
Loan from Holding Company received	27,500	27,500
Repayment of loan Holding Company	(1,75,000)	-
Loan from Ultimate Holding Company received	2,16,500	-
Net cash generated from financing activities (C)	2,65,205	25,822
Net increase in cash and cash equivalents (A+B+C)	2,112	(2,575)
Cash and cash equivalents at the beginning of the year	1,152	3,727
Cash and cash equivalents at the end of the year	3,264	1,152
	As at 31 March 2025	As at 31 March 2024
I. Components of Cash and cash equivalents		
Balances with banks on current account	3,264	1,152
	3,264	1,152



Paulmech Hospitality Private Limited
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Statement of Cash Flows for the year ended 31 March 2025
 (All amounts are in Indian Rupees ('000), unless otherwise stated)

ii. Movement in financial liabilities

	<u>Amount</u>
As on 1 April 2024	-
Change from financing cashflows	
Finance cost paid	(7,753)
Proceeds from non-current borrowing	2,03,958
Other non cash changes	
Finance cost expense	5,805
As on 31 March 2025	<u>2,02,010</u>
As on 1 April 2023	2,53,918
Change from financing cashflows	
Proceeds from non current borrowings	(1,644)
Other non cash changes	
Finance cost expense	15,395
Non-current borrowings transferred to other equity	(2,67,669)
As on 31 March 2024	<u>-</u>

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

The notes from Note 1 to Note 33 form an integral part of these financial statements.

As per our report of even date attached

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



Shweta Kumar
 Partner
 Membership No.: 509822

Place: Gurugram
 Date: 28 May 2025

For and on behalf of Board of Directors of
Paulmech Hospitality Private Limited



Gyana Das
 Director
 DIN : 03563467

Place: Gurugram
 Date: 28 May 2025



Manish Bhagat
 Director
 DIN : 08092409

Place: Gurugram
 Date: 28 May 2025

Paulmech Hospitality Private Limited

CIN: U55101WB2010PTC151700

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees ('000), unless otherwise stated)

1.1 Corporate information

Paulmech Hospitality Private Limited ('the Company') is a Company domiciled in India. The Company was incorporated in India on 27 July 2010 as per the provisions of Indian Companies Act and is limited by shares. The registered office of the Company is at Plot No. CF-15, PR No. 01-0240 AA-IC, Newtown, Rajarhat, Kolkata, West Bengal, India, 700156 and the corporate office of the Company is situated at 14th Floor, Building 10 C, Cyber City, Phase-II, Gurugram, Haryana, India, 122002.

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

Presently, the Company has one hotel (Holiday Inn Express, Kolkata – New town) which got operational subsequent to year end.

1.2 Basis of preparation

A. Statement of Compliance

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

The financial statements were approved for issue in accordance with the resolution of the Company's Board of Directors on 28 May 2025.

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

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

C. Basis of Measurement

The financial statements have been prepared on the historical cost basis.

Also refer note 32 for going concern basis of accounting used by the management.

D. Use of estimates and judgments

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

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

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



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CIN: U55101WB2010PTC151700

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees ('000), unless otherwise stated)

i) Provisions and contingencies

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

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

The estimated useful lives and recoverable amounts of property, plant and equipment are based on estimates and assumptions regarding the expected market outlook, expected future cash flows, obsolescence, demand, competition, known technological advances. The Company reviews the useful lives and recoverable amounts of property, plant and equipment at the end of each reporting date.

iii) Employee benefit obligations

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

iv) Fair value measurement of financial instruments

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

Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also, refer note 27 for further disclosures.

v) Recognition of Deferred tax assets/liabilities

Recognition of deferred tax assets/liabilities involves making judgements and estimations about the availability of future taxable profit against which carried forward tax losses can be used. A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

E. Current and non-current classification

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

F. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework



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(All amounts are in Indian Rupees ('000), unless otherwise stated)

with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the ultimate Holding Company's Chief Financial Officer.

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in note 27.

2. Material accounting policies

1) Property, plant and equipment

Recognition and measurement

Property, plant and equipment including capital work in progress are measured at cost less accumulated depreciation and any accumulated impairment losses if any.

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

Cost comprises the purchase price, import duties and other non-refundable taxes or levies, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition



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for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

Subsequent costs and disposal

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the profit or loss for the period during which such expenses are incurred.

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

Depreciation

Freehold land is not depreciated.

2) Financial instruments

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

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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



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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees ('000), unless otherwise stated)

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

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

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

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company



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considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

*iii. Derecognition**Financial assets*

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

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but



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retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

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

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

iv. Offsetting

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

v. Interest free loans

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

vi. Financial guarantee

Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Such guarantees are initially measured at fair value and subsequently at the higher of:

- the expected credit loss allowance determined in accordance with Ind AS 109; and
- the amount recognised initially less, when appropriate, cumulative amortisation recognised in accordance with Ind AS.

vi. Modification of financial assets and liabilities

Financial assets:

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

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates



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(All amounts are in Indian Rupees ('000), unless otherwise stated)

the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Financial Liabilities:

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

3) Impairment

A. Impairment of financial instruments

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

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

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

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).



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In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

Write-off

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

B. Impairment of non-financial assets

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

The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset (or cash generating unit) {CGU}.

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



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

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

4) Provisions (other than employee benefits)

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates at each reporting date.

5) Contingent liabilities

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

6) Borrowing costs

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

7) Employee benefits

(a) Short-term employee benefits



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

(b) Post-employment benefits

Defined contribution plan – Provident fund and Employee state insurance

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

Defined benefit plan – Gratuity

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

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

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

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

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



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the projected unit credit method. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

8) Recognition of dividend income, interest income or expense

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

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

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

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

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

9) Foreign currency translation

Transactions and balances

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

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

10) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the



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recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and Company intend to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

11) Measurement of earnings before finance costs and tax

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



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12) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). In accordance with Ind AS 108, "Operating Segments", the operating segments used to present segment information are identified on the basis of information reviewed by the CODM to allocate resources to the segments and assess their performance.

13) Earnings per share

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

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

14) Cash and cash equivalents

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

15) Expenditure

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



3 Property, plant and equipment and Capital work-in-progress**Reconciliation of carrying amount**

	Freehold land (a)	Total Property, plant and equipment	Capital work-in- progress (b)
Gross carrying amount			
Balance as at 1 April 2023	79,200	79,200	1,23,322
Additions	-	-	31,130
Balance as at 31 March 2024	79,200	79,200	1,54,452
Additions	-	-	2,90,589
Balance as at 31 March 2025	79,200	79,200	4,45,041
Accumulated depreciation			
Balance as at 1 April 2023	-	-	-
Charge for the year	-	-	-
Balance as at 31 March 2024	-	-	-
Charge for the year	-	-	-
Balance as at 31 March 2025	-	-	-
Net carrying amount			
Balance as at 31 March 2024	79,200	79,200	1,54,452
Balance as at 31 March 2025	79,200	79,200	4,45,041

a) The Company had pledged its freehold land as security for Non-Convertible Debentures (NCD's) issued by Barque Hotels Private Limited and SAMHI JV Business Hotels Private Limited in favor of Vistra ITCL (India) Limited (Debenture Trustee). The security was released on 21 March 2023. Further, the Company has pledged its freehold land as security in respect of loan availed from bank by the Company during the current year (refer note 11).

b) Includes capitalised borrowing costs related to construction of the hotel of INR 25,093 (31 March 2024 - INR 19,288).

c) Title deeds of immovable property are held in the name of the Company.

d) During the year, the Company has capitalised operating expenses in capital work in progress amounting INR 1,325 (31 March 2024 - INR 6,128).

(i) Capital-Work-in Progress (CWIP) - Disclosure of ageing schedule**a) CWIP ageing schedule**

Ageing for capital-work-in progress as on 31 March 2025

CWIP	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	2,90,589	31,130	480	1,22,842	4,45,041

Ageing for capital-work-in progress as on 31 March 2024

CWIP	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	31,130	480	100	1,22,742	1,54,452

(b) CWIP completion schedule

For capital-work-in progress, whose completion is overdue compared to its original plan, the project-wise details of when the project is expected to be completed as of 31 March 2025 and 31 March 2024 are as follows :

As at 31 March 2025

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	4,45,041	-	-	-	4,45,041

As at 31 March 2024

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	1,54,452	-	-	-	1,54,452

The Company does not have any capital-work-in progress whose cost has exceeded from its original plan.



	As at 31 March 2025	As at 31 March 2024
4 Other financial assets - non current (Unsecured, considered good)		
Bank deposits due to mature after 12 months from the reporting date*	6,868	-
Security deposits	3,238	196
	<u>10,106</u>	<u>196</u>
* including interest accrued on bank deposits amounting to 136 (31 March 2024 - Nil)		
* Includes bank deposits under lien amounting to INR 6,868 (31 March 2024 - INR Nil)		
5 Income tax assets (net)		
Tax deducted at source and income tax receivable	2,079	2,064
	<u>2,079</u>	<u>2,064</u>
6 Other non-current assets (Unsecured, considered good)		
Capital advances	2,264	2,518
Balance with statutory authorities	3,099	3,927
	<u>5,363</u>	<u>6,445</u>
7 Cash and cash equivalents (Unsecured, considered good)		
Balances with banks	3,264	1,152
- in current accounts	<u>3,264</u>	<u>1,152</u>
8 Other current assets (Unsecured, considered good)		
Advance to suppliers	1,264	5
Balance with statutory authorities	21,224	6,072
Prepaid expenses	197	20
	<u>22,685</u>	<u>6,097</u>



9 Equity share capital

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	20,00,000	20,000	20,00,000	20,000
	20,00,000	20,000	20,00,000	20,000
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	19,97,752	19,978	19,97,752	19,978
	19,97,752	19,978	19,97,752	19,978

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

	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	19,97,752	19,978	19,97,752	19,978
At the end of the year	19,97,752	19,978	19,97,752	19,978

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having the par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The equity shares are entitled to receive dividend as declared. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

Name of shareholder	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Barque Hotels Private Limited (Holding Company)*	19,97,752	19,978	19,97,752	19,978

d) Details of shareholders holding more than 5% shares

Name of shareholder	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Barque Hotels Private Limited *	19,97,752	100%	19,97,752	100%

*1 share is held by Mr. Gyana Das as a nominee shareholder

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

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

f) Details of shares held by promoters

As at 31 March 2025						
S.no	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Barque Hotels Private Limited	19,97,752	-	19,97,752	100%	No Change
As at 31 March 2024						
S.no	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Barque Hotels Private Limited	19,97,752	-	19,97,752	100%	No Change



	As at 31 March 2025	As at 31 March 2024
10 Other equity		
Securities premium	12,920	12,920
Retained earnings	(95,948)	(86,702)
Equity component of interest free loans from Holding company	1,47,669	2,95,169
Equity component of interest free loans from Ultimate Holding company	2,16,500	-
	<u>2,81,141</u>	<u>2,21,387</u>
a) Securities premium		
Balance at the beginning of the year	12,920	12,920
Balance at the end of the year	<u>12,920</u>	<u>12,920</u>

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013.

b) Retained Earnings

Balance at the beginning of the year	(86,702)	(73,777)
Loss for the year	(9,246)	(12,925)
Balance at the end of the year	<u>(95,948)</u>	<u>(86,702)</u>

Retained earnings represent the amount of accumulated losses of the Company.

c) Equity component of interest free loan (unsecured) from Holding company

Balance at the beginning of the year	2,95,169	-
Add : Loan from Holding Company received - transferred from borrowings	-	2,67,669
Add : Loan from Holding Company received	27,500	27,500
Less : Repayment of loan from Holding Company	(1,75,000)	-
Balance at the end of the year	<u>1,47,669</u>	<u>2,95,169</u>

This represents the equity component of the interest free loan received from Barque Hotels Private Limited, the Holding Company. Below are the terms of unsecured loan from Holding Company w.e.f 1 October 2023:

- Loan to be considered as perpetual debt
- Nil rate of interest
- Repayable at the option of the Company.

Accordingly, the entire loan balance (including accrued interest thereon) as on 30 September 2023 has been transferred to Other equity.

d) Equity component of interest free loan (unsecured) from Ultimate Holding company

Balance at the beginning of the year	-	-
Add : Loan from Ultimate Holding Company received	2,16,500	-
Balance at the end of the year	<u>2,16,500</u>	<u>-</u>

This represents the equity component of the interest free loan received from SAMHI Hotels Limited, the Ultimate Holding Company. Below are the terms of this unsecured loan:

- Loan to be considered as perpetual debt
- Nil rate of interest
- Repayable at the option of the Company.



11 Non-current financial liabilities - Borrowings

	As at 31 March 2025	As at 31 March 2024
From banks (secured)		
Term loan	2,02,010	-
Less: Current maturities of long-term borrowings (refer note 13)	<u>(1,019)</u>	<u>-</u>
	<u>2,00,991</u>	<u>-</u>

Terms & conditions of term loan from bank

Particulars	Carrying Amount as on 31 March 2025	Carrying Amount as on 31 March 2024	Sanctioned Amount (INR thousands)	Interest rate charged per		Repayment Terms	Security details
				As at 31 March 2025	As at 31 March 2024		
Federal Bank Limited	2,02,010	-	3,00,000	9% (Interest rate fixed for 5 years and shall be reviewed post 60 months from the date of disbursement).	Nil	The loan is repayable in 44 structured quarterly installments starting from 31 December 2025. The lender has an option to seek repayment of the loan in either part or full at the end of 5 years from the date of first disbursement and every 5 years thereafter.	i) Exclusive charge on immovable property. ii) Exclusive charge on immovable property movable asset of the hotel property both present and future. iii) Exclusive charge on entire current assets of the company (both present and future). iv) Debt Service Reserve Account for one quarter in the form of fixed deposit or bank guarantee.

12 Non current Provisions

Provision for employee benefits		
Compensated absences (Refer note 20)	107	-
	<u>107</u>	<u>-</u>

13 Current financial liabilities - Borrowings

Current maturities of long-term borrowings (refer note 11)	1,019	-
	<u>1,019</u>	<u>-</u>

14 Current financial liabilities - Trade payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	5,361	313
	<u>5,361</u>	<u>313</u>

a) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 27.

Trade payable ageing schedule

As at 31 March 2025

Particulars	Outstanding for following periods from date of transaction					Total
	Accrued expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	563	4,798	-	-	-	5,361

As at 31 March 2024

Particulars	Outstanding for following periods from date of transaction					Total
	Accrued expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	313	-	-	-	-	313

The Company does not have any disputed dues which are payable as at 31 March 2025 and 31 March 2024.

15 Current financial liabilities - Others

Employee related payables	632	-
Payable for capital assets*	45,585	7,688
Other payable*	11,279	-
	<u>57,496</u>	<u>7,688</u>

* Also refer note 26 for related party disclosure.

16 Other current liabilities

Statutory dues payable	1,601	240
	<u>1,601</u>	<u>240</u>

17 Current provisions

Provision for employee benefits		
Compensated absences (Refer note 20)	44	-
	<u>44</u>	<u>-</u>



18 Tax expense

For the year ended
31 March 2025 For the year ended
31 March 2024

A. The major components of income tax expense are

Recognised in profit or loss

Current tax

Tax expense related to earlier years

-	-
-	(4,017)
-	(4,017)

B. Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by Company's domestic tax rate)

	For the year ended 31 March 2025		For the year ended 31 March 2024	
	%	Amount	%	Amount
Loss before tax		(9,246)		(16,942)
Tax using the Company's domestic tax rate	25.17	(2,327)	25.17	(4,264)
Tax Effect of:				
Non recognition of deferred taxes on temporary differences	(24.30)	2,247	(25.04)	4,242
Non recognition of deferred taxes - Permanent differences	(0.87)	80	(0.13)	22
Effective tax rate	-	-	-	-

	As at 31 March 2025	As at 31 March 2024
C. Deferred tax assets / liabilities		
Deferred tax assets		
Unabsorbed business losses as per Income Tax Act, 1961	6,136	3,889
Disallowance u/s 43B of Income Tax Act, 1961 for accrued interest	29,539	29,539
	35,676	33,428
Deferred tax liabilities		
Property, plant and equipment and capital work in progress	11,745	11,745
	11,745	11,745
Deferred tax assets (net)	23,930	21,683
Deferred tax assets recognised *	-	-

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

D. Movement in deferred tax balances

31 March 2025

Particulars	Balance as at 1 April 2024	Recognised in profit or loss during 2024-25	Balance as at 31 March 2025
Property, plant and equipment and capital work in progress	(11,745)	-	(11,745)
Disallowance u/s 43B of Income Tax Act, 1961 for accrued interest	29,539	-	29,539
Unabsorbed business losses as per Income Tax Act, 1961	3,889	2,247	6,136
Total	21,683	2,247	23,930

31 March 2024

Particulars	Balance as at 1 April 2023	Recognised in profit or loss during 2023-24	Balance as at 31 March 2024
Property, plant and equipment and capital work in progress	(11,745)	-	(11,745)
Disallowance u/s 43B of Income Tax Act, 1961 for accrued interest	25,695	3,844	29,539
Unabsorbed business losses as per Income Tax Act, 1961	3,491	398	3,889
Total	17,441	4,242	21,683



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E. Tax Losses carried forward

Tax losses for which no deferred tax asset was recognised with expiry date as follows

	As at 31 March 2025	Expiry Date (Financial Year)
	Amount	
Business loss	710	2025-26
Business loss	466	2026-27
Business loss	3,157	2027-28
Business loss	3,227	2028-29
Business loss	3,365	2029-30
Business loss	2,582	2030-31
Business loss	1,630	2031-32
Business loss	9,245	2032-33

	As at 31 March 2024	Expiry Date (Financial Year)
	Amount	
Business loss	283	2024-25
Business loss	710	2025-26
Business loss	466	2026-27
Business loss	3,157	2027-28
Business loss	3,227	2028-29
Business loss	3,365	2029-30
Business loss	2,582	2030-31
Business loss	1,660	2031-32



19 Other income	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income from financial assets at amortised cost		
- On bank deposits	151	76
	<u>151</u>	<u>76</u>

20 Employee benefits expense	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries, wages and bonus	2,974	-
Contribution to provident fund and other funds (refer 'a' below)	208	-
Compensated absences (refer 'b' below)	151	-
Staff welfare expenses	482	-
	<u>3,815</u>	<u>-</u>

a. Defined Contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Labour Welfare Fund and Employees' State Insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to profit or loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund, Labour Welfare Fund and Employees' State Insurance for the year aggregated to INR 208 (31 March 2024 - INR Nil).

b. Compensated absences

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

Particulars	As at 31 March 2025	As at 31 March 2024
Discounting rate (p.a.)	6.49%	NA
Future salary increase (p.a.)	5.50%	NA

21 Finance costs

Interest expense on financial liabilities at amortised cost		
- Borrowings	5,805	15,278
Interest expense on delay in deposit of statutory dues	-	34
Other finance cost	-	117
Less: Transferred to capital work-in-progress	(5,805)	-
	<u>-</u>	<u>15,429</u>

22 Other expenses

Repair and maintenance		
- Building	94	-
- Machinery	89	-
Advertisement and business promotion	527	-
Communication	131	15
Contractual labour	-	468
Insurance	-	62
Legal and professional fees	4,315	637
Payment to auditors*	220	210
Power and fuel	-	117
Rates and taxes	6	74
Training expenses	199	-
Miscellaneous expenses	1	6
	<u>5,582</u>	<u>1,589</u>

*** Payment to auditors (net of tax)**

Statutory audit	200	200
Reimbursement of expenses	20	10
	<u>220</u>	<u>210</u>

23 Earnings per share (EPS)

Basic EPS is calculated by dividing the loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	For the year ended 31 March 2025	For the year ended 31 March 2024
Net loss attributable to equity shareholders	(9,246)	(12,925)
Weighted average number of equity shares for calculation of basic EPS	19,97,752	19,97,752
Weighted average number of equity shares for calculation of diluted EPS	19,97,752	19,97,752
Nominal value of equity share (INR)	10	10
Basic loss per share (INR)	(4.63)	(6.47)
Diluted loss per share (INR)	(4.63)	(6.47)



Paulmech Hospitality Private Limited**CIN - U55101WB2010PTC151700****Notes to the financial statements for the year ended 31 March 2025***(All amounts are in Indian Rupees('000), unless otherwise stated)***24 Contingent liabilities and commitments**

	For the year ended 31 March 2025	For the year ended 31 March 2024
Commitments		
Estimated amount of contracts remaining to be executed on capital account and others, and not provided for	18,077	1,44,210
Contingent liabilities	-	-

The Company had received an assessment order for financial year 2013-14 whereby an addition of INR 32,798 has been made to the total income of the Company. The addition pertains to unreasonable share premium under section 56(2)(viib) of Income Tax Act, 1961. The Company had deposited INR 2,060 towards 15% amount of total demand of INR 13,723 and had filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition. The Company was carrying a provision of INR 4,017 as on 31 March 2023 in the books against the aforesaid case. During the previous year, the Company received a favourable order from the Commissioner of Income-tax (Appeals) and accordingly the provision in books was reversed in the Statement of Profit and Loss in the year ended 31 March 2024. Further, during the current year the income tax department preferred an appeal with the Income Tax Appellate Tribunal (ITAT) against which the Company has received a favourable order.

25 Operating Segments

The Ultimate Holding Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker ('CODM'), since he is responsible for all major decision with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. CODM has examined the company's performance from product and geographic perspective and has identified a single business segment i.e. "Developing and running of hotels", hence no specific disclosures have been made.

A. Information about products and services

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

B. Information about geographical areas

The Company provides services to customers in India. Further, there are no non-current assets located outside India.

C. Information about major customers (from external customers)

The company did not earn any revenue during the year.



26 Related party disclosures

a) Related party and nature of related party relationships

Description of relationship

Ultimate Holding Company
Holding company

Name of related party

SAMHI Hotels Limited
Barque Hotels Private Limited

b) Related party transactions during the year:

Particulars	Ultimate Holding Company		Holding Company	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Interest expense on unsecured loan				
Barque Hotels Private Limited	-	-	-	15,278
Loan received from Holding Company received				
Barque Hotels Private Limited	-	-	27,500	27,500
Repayment of loan to Holding Company				
Barque Hotels Private Limited	-	-	1,75,000	-
Loan received from Ultimate Holding Company				
SAMHI Hotels Limited	2,16,500	-	-	-
Reimbursement of expenses				
Barque Hotels Private Limited	-	-	11,279	-
Legal and professional fees (including capitalised amount in CWIP)				
SAMHI Hotels Limited	24,528	4,890	-	-

c) Related party balances at the year end

Particulars	Ultimate Holding Company		Holding Company	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Equity component of interest free loans from Holding company				
Barque Hotels Private Limited	-	-	1,47,669	2,95,169
Equity component of interest free loans from Ultimate Holding company				
SAMHI Hotels Limited	2,16,500	-	-	-
Other payable				
Barque Hotels Private Limited	-	-	11,279	-
Trade payables				
SAMHI Hotels Limited	4,331	-	-	-
Payable for capital assets				
SAMHI Hotels Limited	30,080	5,759	-	-

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



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27 Financial Instruments – Fair values and risk management

A) Financial instruments by category and fair value

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	Level of Hierarchy	31 March 2025		
		Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets				
Other non current financial assets		-	-	10,106
Cash and cash equivalents		-	-	3,264
Total financial assets		-	-	13,370
Financial liabilities				
Non-current Borrowings	2	-	-	2,00,991
Current trade payables		-	-	5,361
Other current financial liabilities		-	-	57,496
Current financial liabilities - Current borrowings	2	-	-	1,019
Total financial liabilities		-	-	2,64,867

Particulars	Level of Hierarchy	31 March 2024		
		Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial assets				
Other non current financial assets		-	-	196
Cash and cash equivalents		-	-	1,152
Total financial assets		-	-	1,348
Financial liabilities				
Current trade payables		-	-	313
Other current financial liabilities		-	-	7,688
Total financial liabilities		-	-	8,001

The fair value of trade payables, other current financial liabilities and cash and cash equivalents approximate their carrying amounts, due to their short-term nature. Interest rates on non-current borrowings are equivalent to market rate. Accordingly, the carrying value of such borrowings approximates the fair value. The Company has not disclosed the fair values of non-current financial assets as their carrying amount is a reasonable approximation of fair value.

B) Measurement of fair values

There are no transfer between Level 1, Level 2 and Level 3 for the year ended 31 March 2025 and 31 March 2024.

C) Financial risk management

Risk management framework

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

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

1. 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. The carrying amount of financial assets represent the maximum credit risk exposure. The Company has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

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

The Company has given security deposits to vendors and government departments for securing services from them. The Company does not expect any default from these parties and accordingly the risk of default is negligible or nil.

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



ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

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

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

(a) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

31 March 2025	Contractual cash flows (INR)					
	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current borrowings	2,00,991	2,02,940	-	3,028	1,99,912	-
Current borrowings	1,019	1,019	1,019	-	-	-
Trade payables	5,361	5,361	5,361	-	-	-
Other current financial liabilities	57,496	57,496	57,496	-	-	-
	<u>2,64,867</u>	<u>2,66,816</u>	<u>63,876</u>	<u>3,028</u>	<u>1,99,912</u>	<u>-</u>

31 March 2024	Contractual cash flows (INR)					
	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	313	313	313	-	-	-
Other current financial liabilities	7,688	7,688	7,688	-	-	-
	<u>8,001</u>	<u>8,001</u>	<u>8,001</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31 March 2025	As at 31 March 2024
Term loan from bank	96,042	-
	<u>96,042</u>	<u>-</u>

iii. Market risk

The Company is exposed to market risk primarily relating to the risk of changes in market prices, such as interest rates, that will affect the Company's expense or the value of its holdings of financial instruments.

Interest rate risk

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

The Company evaluates the interest rates in the market on a regular basis to explore the option of refinancing of the borrowings of the Company.

Exposure to interest rate risk

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

	Amount in INR	
	31 March 2025	31 March 2024
Fixed rate Instruments		
Non-current borrowings	2,00,991	-
Financial assets - bank deposits	6,868	-

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. Also refer note 27 A for fair value disclosure.

28 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors of the Holding company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Company monitors capital using loan to value (LTV) method to ensure that the loan to value does not increase beyond 65% on any given reporting date at Company level.

The Company is not subject to externally imposed capital requirements.

As a part of its capital management policy, the Company did not have any defaults in the repayment of loans and interest. There has been no loan covenant defaults.



Paulmech Hospitality Private Limited

CIN - U55101WB2010PTC151700

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees('000), unless otherwise stated)

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

Dues to micro and small enterprises

The amounts remaining unpaid to micro and small enterprises as at the end of the year:

Principal

Interest

The amounts of the payments made to micro and small enterprises beyond the appointed day during each accounting year.

The amount of interest paid under the act beyond the appointed day during the year

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year.

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Act

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2025 and 31 March 2024 has been made in the financial statements based on information received and available with the Company.

As at
31 March 2025

As at
31 March 2024



30 New standards and interpretations, not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. 1 April 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

31 Ratio Analysis and its elements

Ratio	in times/%	Numerator	Denominator	31 March 2025	31 March 2024	% Change	Reason for variance
(a) Current Ratio	in times	Current Assets	Current Liabilities	0.40	0.88	-54.98%	Current ratio has decreased due to increase in payable for capital assets in current year.
(b) Debt-Equity Ratio	in times	Total Borrowings	Total Equity	0.67	-	100%	Variance due to term loan from bank availed in current year.
(c) Return on Equity Ratio	in %	Loss for the year	Average Total equity	-3.41%	-12.89%	-73.56%	Return on equity ratio has increased due to reduction in losses and interest free loan received from ultimate holding company.
(d) Return on Capital employed	in %	Loss before finance cost and taxes	Tangible Net Worth + Total Borrowings	-1.84%	-0.63%	193.26%	The change in return on capital employed is due to reduction in losses and increase in borrowings.
(e) Trade payable turnover ratio	in times	Other expenses	Average Trade Payables	1.97	5.15	-61.77%	Decrease in trade payable turnover ratio is due to increase in trade payable.

As the Company does not have any revenue generation unit till 31st March 2025, so the Company has not presented the following ratios:

- a) Debt service coverage ratio
- b) Inventory turnover ratio
- c) Trade receivable turnover ratio
- d) Net capital turnover ratio
- e) Net profit ratio
- f) Return on investment

32 The Company has incurred a net loss of INR 9,246 thousands during the year ended 31 March 2025 (previous year loss: INR 12,925 thousands) and as of that date, the Company's current liabilities exceeded its current assets by INR 39,572 thousands.

The Company has continued financial and operational support from SAMHI Hotels Limited (the ultimate holding company) and has projected to generate profits from its operations of Holiday Inn Express in Rajarhat, Kolkata hotel which has become operational subsequent to the year end.

The Company has assessed the liquidity position and recoverable values of its financial and non-financial assets. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes to future economic conditions.

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



Paulmech Hospitality Private Limited

CIN - US5101WB2010PTC151700

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees ('000), unless otherwise stated)

33 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company has no charges or satisfactions pending registration with the Registrar of Companies, Maharashtra ('ROC') beyond the statutory period except for the term loan obtained from Federal Bank Ltd on 4 December 2024. The documentation for this charge is currently under discussion between the lender and the borrower. Upon finalization and execution of the relevant documents, the charge will be duly filed with the ROC.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- (ix) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- (x) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (xii) The Company has not revalued its property, plant and equipment during the current or previous year.
- (xiii) The Company has not availed any working capital limits hence no quarterly returns have been filed.

For BSR & Co. LLP

Chartered Accountants

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



Shweta Kumar

Partner

Membership No.: 509822

Place: New Delhi

Date: 28 May 2025

For and on behalf of Board of Directors of

Paulmech Hospitality Private Limited



Gyana Das

Director

DIN : 03563467

Place: Gurugram

Date: 28 May 2025



Manish Bhagat

Director

DIN : 08092409

Place: Gurugram

Date: 28 May 2025