14 Government Place East, Kolkata 700 069, India
Telephone : 033-2248-1111/1507/40400000
Telefax : 033-2248-6960
Email : cal@lodhaco.com

LODHA & CO

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Peerless Hotels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Peerless Hotels Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, 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 a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "financial statements").

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 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 March 31, 2022, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Attention is drawn to Note no. 44 of the financial statement as regards to the management's evaluation of value in use of cash generating units for assessment of impairment in value of property, plant and equipment and right of use assets and uncertainties thereof with respect to assumptions and estimates considered in this respect. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditors' report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report with respect to above.

KOLKATA

Responsibilities of the Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility 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 auditors' 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

KATA

- 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.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act; and

   f) With respect to the adequacy of the internal financial controls with respect to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements.

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   i. Pending litigations (Other than those already recognised in the accounts) having material impact on the financial position of the Company have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013;

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

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures and generally accepted auditing practices followed in terms of SAs that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and

v. The company has not declared any dividend during the year thereby reporting under Section 143(11)(f) is not applicable for the company.

4. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration (including sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

Indranil Chaudhuri
Partner
Membership No: 058940
UDIN: 22058940AJXUUR4877

Place: Kolkata
Date: May 30, 2022

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:

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

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipments and Intangible Assets.

b. The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, a comprehensive and detailed verification of Property, plant and Equipment and Capital Work in Progress was carried out by engaging the services of an independent firm of professional for the purpose in respect of Port Blair and Hyderabad Unit. In respect of Kolkata Unit such verification has been carried out by the management and as explained services of independent firm of Professionals in this respect shall be obtained for the said unit also in subsequent period. The discrepancies noted on such verification have been properly dealt with in the books of account.

c. According to the information and explanations given to us, the records examined by us and based on the conveyance deeds, title documents, records, confirmation from charge holder provided to us, we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of the Company as on the balance sheet date.

d. The company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, clause 3 (i)(d) of the Order is not applicable to the Company.

e. As per the information and explanation given to us and as represented by the management no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, clause 3 (i)(e) of the Order is not applicable to the Company.

ii) a. As informed, physical verification has been conducted by the management at reasonable intervals in respect of inventory of food, beverages and supplies. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. The Company is maintaining proper records of inventory and according to the information and explanation given to us, the discrepancies noticed on physical verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of accounts.

b. According to the information and explanation given to us the company, no working capital limit has been sanctioned in excess of Rupees Five Crores on the basis of securities of Current Assets of the company. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii) The Company has not made investments, provided any guarantee of 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. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided any guarantees/securities to parties covered under Section 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable to the Company.

v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2022 from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and therefore the provisions of clause 3(v) of the Order is not applicable to the company

vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013. Accordingly, clause 3 (vi) of the Order is not applicable to the Company.

vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it. Further, there were no undisputed amounts payable in respect of these statutory dues in arrear as at March 31, 2022 for a period of more than six months from the date they become payable.

b. According to the information and explanations given to us, the details of disputed dues of Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, which have not been deposited on account of any dispute, if any, as at March 31, 2022, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Employees' State Insurance Act, 1948	ESI	9.40	2001-2002	Employees' Insurance Court West Bengal Kolkata

viii) In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) a. In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

b. According to the information and explanations given to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

c. In our opinion and on the basis of information and explanations given to us by the management, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds have been raised by the company by way of working capital limits etc. and therefore clause 3(ix)(d) of the Order is not applicable to the Company.

e. In our opinion and on the basis of examination of the books of records the company does have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.

x) a. In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and therefore clause 3(x) of the Order is not applicable to the Company.

b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.

xi) a. During the course of our examination of books of account carried out during the year in accordance with generally accepted auditing practices in India, we have neither come across incidence of any material fraud by or on the company nor have we been informed of any such case by the management.

b. No report under sub-section (12) of section 143 of the Companies Act 2013 in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 have been filed with the Central Government by us.

c. As represented to us by the management and as far as ascertained from examination of books of and records in accordance with generally accepted auditing practices in India, there are no whistle blower complaints received by the company during the year.

xii) The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 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. The Internal audit of the Company has been carried out by a firm of Chartered Accountants. The system followed, in our opinion, is generally commensurate with the size and nature of its business.

b. Further, the internal audit reports as submitted to us by the management have been considered by us in during the course of our audit.

xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

b. The Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid certificate of registration as required under Reserve Bank of India Act, 1934. Hence, reporting under 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. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

d. In our opinion and based on the representation received by us from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) On the basis of overall examination of the financial statement, it has been concluded that the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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 for payment.

xx) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, there was no unspent amount on account of CSR as envisaged under Section 135 of the Act. Hence, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

xxi) The company does not have any subsidiary/associate hence consolidated financial statements are not applicable to the company and thereby reporting under clause 3(xxi) of the Order is not applicable

For Lodha & Co
Chartered Accountants
Firm's ICAI Registration No.:301051E

Indranil Chaudhuri
Partner
Membership No: 058940
UDIN: 22058940AJXUUR4877

Place: Kolkata
Date: May 30, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report to the members of Peerless Hotels Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements reporting 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls 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 control 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control 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.

Other Matters

The Company has documented the framework for internal control over financial reporting taking into account various components of related controls and procedures in terms of the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Considering the COVID 19 pandemic, reliance have been placed on the same along with the systems and procedures followed for testing the controls and obtaining the required evidence and forming our opinion on the matter.

For Lodha & Co
Chartered Accountants
Firm's ICAI Registration No.:301051E

Indranil Chaudhuri
Partner
Membership No: 058940
UDIN: 22058940AJXUUR4877

Place: Kolkata
Date: May 30, 2022

PEERLESS HOTELS LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

(Rs. In lakhs)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	5(a)	9,777.92	10,787.15
(b) Capital work-in-progress		-	0.16
(c) Other Intangible Assets	5(b)	7.49	9.23
(d) Financial assets			
(i) Investments	6	25.46	27.14
(ii) Other Financial Assets	7	111.90	111.03
(e) Non Current Tax Assets (net)	8	145.60	183.15
(f) Other Non Current Assets	9	10.40	231.14
Total Non-Current Assets		10,078.77	11,349.00
Current Assets			
(a) Inventories	10	19.96	20.26
(b) Financial assets			
(i) Investments	11	557.60	539.04
(ii) Trade Receivables	12	154.05	144.94
(iii) Cash and Cash Equivalents	13	395.57	377.96
(iv) Other Financial Assets	14	49.76	28.24
(c) Other current assets	15	310.00	52.68
Total Current Assets		1,486.94	1,163.12
TOTAL ASSETS		11,565.71	12,512.12
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	458.00	458.00
(b) Other Equity	17	9,377.88	10,170.08
Total Equity		9,835.88	10,628.08
LIABILITIES			
Non Current Liabilites			
(a) Financial liabilites			
(i) Borrowings	18	258.57	-
(ii) Lease Liabilities	41	224.80	350.28
(ii) Other Financial liabilities	19	1.62	1.61
(b) Provisions	20	70.30	85.74
(c) Deferred Tax Liabilites (net)	21	273.50	545.72
Total Non-Current Liabilities		828.79	983.35
Current liabilites			
(a) Financial liabilites			
(i) Borrowings	22	33.00	-
(ii) Lease Liabilities	41	125.48	57.62
(iii) Trade payables	23		
- Total Outstanding dues of micro enterprises and small enterprises		5.87	2.04
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		318.45	462.84
(iv) Other Financial Liablities	24	14.10	25.80
(b) Other Current Liabilites	25	163.78	134.26
(c) Provisions	26	240.36	218.13
Total Current Liabilities		901.04	900.69
Total Liabilities		1,729.83	1,884.04
TOTAL EQUITY & LIABILITIES		11,565.71	12,512.12

Significant Accounting Policies and other accompanying notes (1-48) forms an intergral part of the financial statements.

As per our report of even date
For Lodha & Co,
Chartered Accountants

Indranil Chaudhuri
Partner
Place: Kolkata
Dated: May 30, 2022

LODHA & CO. KOLKATA Chartered Accountants

For and on behalf of the Board

K.K.Chatterjee, Chief Financial Officer

S.Sen, Company Secretary

N.Saha, Director
(DIN No: 00397354)

K.Sen, Executive Director
(DIN No: 00207274)

PEERLESS HOTELS LTD. KOL

PEERLESS HOTELS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

Particulars	Note No	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	27	2,593.12	1,247.10
Other income	28	130.94	109.18
TOTAL INCOME		2,724.06	1,356.28
EXPENSES			
Consumption of Provisions, Stores and Wines	29	392.64	266.95
Employee Benefits Expense	30	1,353.23	1,038.53
Finance Costs	31	41.85	41.32
Depreciation and Amortisation Expense	32	389.46	440.49
Other Expenses	33	1,008.83	725.79
TOTAL EXPENSES		3,186.01	2,513.08
Profit/(Loss) before exceptional items and tax		(461.95)	(1,156.80)
Exceptional Items	44(b)	643.83	951.91
Profit/(Loss) before tax		(1,105.78)	(2,108.71)
Tax expense:			
(1) Current Tax	34	-	-
(2) Deferred Tax	21	(273.84)	(498.33)
(3) Income Tax for earier years	34	(35.50)	11.54
Profit/(Loss) for the year		(796.44)	(1,621.92)
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Statement of Profit or Loss			
-Remeasurement of Employee Benefits	35	7.54	68.75
-Fair Valuation of Equity Instruments	35	(1.68)	3.41
(ii) Income Tax relating to items that will not be reclassified to Statement of Profit or Loss			
-Remeasurement of Employee Benefits	34.3	(1.90)	(16.83)
-Fair Valuation of Equity Instruments	34.3	0.28	(0.76)
Other Comprehensive Income for the year (net of taxes)		4.24	54.57
Total Comprehensive Income for the year (comprising of Profit and Other Comprehensive Income for the year)		(792.20)	(1,567.35)
Earning per equity share of Par value of Rs. 10 each: Basic and Diluted	40	(17.39)	(35.41)

Significant Accounting Policies and other accompanying notes (1-48) forms an intergral part of the financial statements.

As per our report of even date

For Lodha & Co,
Chartered Accountants

Indranil Chaudhuri
Partner

Place: Kolkata
Dated: May 30, 2022

LODHA & CO. KOLKATA Chartered Accountants

For and on behalf of the Board

K.K.Chatterjee,Chief Financial Officer

S.Sen,Company Secretary

N.Saha, Director
(DIN No: 00397354)

K.Sen, Executive Director
(DIN No: 00207274)

PEERLESS HOTELS LTD. KOL

PEERLESS HOTELS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

A Equity Share Capital

Particulars	Amount
As at March 31, 2020	458.00
Movement during the year	-
As at March 31, 2021	458.00
Movement during the year	-
As at March 31, 2022	458.00

B Other equity

Particulars	Reserve and Surplus			Other Comprehensive Income		Total
	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plan	Equity Instrument through Other Comprehsive Income	
As at April 1, 2020	3,741.00	3,260.84	4,859.22	-	13.77	11,874.83
Profit/(Loss) for the year	-	-	(1,621.92)	-	-	(1,621.92)
Other Comprehensive Income for the year	-	-	-	51.92	2.65	54.57
Total comprehensive income for the year	-	-	(1,621.92)	51.92	2.65	(1,567.35)
Dividend payments including Dividend Distribution Tax	-	-	(137.40)	-	-	(137.40)
Transfer to retained earnings	-	-	51.92	(51.92)	-	-
As at March 31, 2021	3,741.00	3,260.84	3,151.82	-	16.42	10,170.08
Profit/(Loss) for the year	-	-	(796.44)	-	-	(796.44)
Other Comprehensive Income for the year	-	-	-	5.64	(1.40)	4.24
Total comprehensive income for the year	-	-	(796.44)	5.64	(1.40)	(792.20)
Dividend payments including Dividend Distribution Tax	-	-	-	-	-	-
Transfer to retained earnings	-	-	5.64	(5.64)	-	-
As at March 31, 2022	3,741.00	3,260.84	2,361.02	-	15.02	9,377.88

Refer Note no. 17 for nature and purpose of reserves

Significant Accounting Policies and other accompanying notes (1-48) forms an intergral part of the financial statements.

As per our report of even date
For Lodha & Co,
Chartered Accountants

For and on behalf of the Board

Indranil Chaudhuri
Partner

LODHA & CO. KOLKATA Chartered Accountants

K.K.Chatterjee, Chief Financial Officer

S.Sen, Company Secretary

N.Saha, Director
(DIN No: 00397354)

K.Sen, Executive Director
(DIN No: 00207274)

Place: Kolkata
Dated: May 30, 2022

PEERLESS HOTELS LTD. KOL

PEERLESS HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs. In Lakhs)

DESCRIPTION	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from operating activities		
Profit/(Loss) Before Tax	(1,105.78)	(2,108.71)
Adjustment to reconcile profit/(loss) before tax to net cash generated from operating activities:		
Depreciation and Amortisation Expense	389.46	440.49
Exceptional Item- Impairment of Property, Plant and Equipments	643.83	951.91
Net Gain on termination/Lease Modification of ROU Assets	(59.53)	(7.63)
Provisions/ Liabilities No Longer Required written back	(18.07)	(29.59)
Finance Cost	41.85	41.32
Bad Debts	1.14	2.79
Interest Income	(32.19)	(40.90)
Dividend Income from Investment	-	(0.35)
Sundry Balances/Irrecoverable Balances Written Off	-	9.22
Net gain/(loss) on fair valuation of Current Investment on fair valuation through profit and loss	(18.56)	(26.05)
Provision for claims and contingencies	10.78	10.88
(Profit)/Loss on Sale/Discard of Property,Plant & Equipment (Net)	(0.43)	0.63
Operating Profit Before Working Capital Changes	(147.50)	(755.99)
Adjustment for:		
(Increase) / decrease in Inventories	0.30	11.09
(Increase) / decrease in Trade Receivables	3.08	82.22
(Increase) / decrease in Loans, Other Financial and Non-Financial Assets	(33.47)	(2.01)
Increase / (decrease) in Trade Payables and other financial Liabilities	(359.24)	144.29
Increase / (decrease) in Other non-financial Liabilities and provisions	19.74	(138.35)
Cash Generated from Operations	(517.09)	(658.75)
Direct Taxes (Paid)/Refund (Net)	73.05	57.77
Cash from Operating Activities (A)	(444.04)	(600.98)
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Movement in Capital Work In Progress	177.44	(6.47)
Proceeds from sale of property, plant and equipment	2.70	1.61
Dividend Income from Current Investment	-	0.35
Interest Received	31.79	41.61
Net Cash Flow From Investing Activities (B)	211.93	37.10
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	294.57	-
Repayment of Long Term Borrowings	(3.00)	-
Finance Lease obligations	-	(44.02)
Interest paid	(41.85)	(48.94)
Dividends (including corporate dividend tax)	-	(137.40)
Net Cash Flow From Financing Activities (C)	249.72	(230.36)
Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	17.61	(794.24)
Cash and Cash Equivalent as at Beginning of Year	377.96	1,172.20
Cash and Cash Equivalent as at End of the Year (Refer Note 13)	395.57	377.96

Note:-

1 The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

2 **Components of Cash and Cash Equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash On Hand	3.03	6.25
Cheques in hand	0.79	0.09
Balances with Banks		
In Current Account	213.54	134.97
In Deposit Account	176.21	236.65
	395.57	377.96

3 **Change in Company's liabilities arising from financing activities:**

Particulars	Lease Liabilities (Refer Note no. 41)	Borrowings (Refer Note no. 18)
Opening Liabilities	407.90	-
Non-Cash Flows	(57.62)	-
Cash flows	-	291.57
Closing Liabilities	350.28	291.57

Significant Accounting Policies and other accompanying notes (1-48) forms an intergral part of the financial statements.

As per our report of even date
For Lodha & Co,
Chartered Accountants

Indrani Chaudhuri
Partner

Place: Kolkata
Dated: May 30, 2022

LODHA & CO. KOLKATA Chartered Accountants

For and on behalf of the Board

N.Saha, Director
(DIN No: 00397354)

K.K.Chatterjee,Chief Financial Officer

K.Sen, Executive Director
(DIN No: 00207274)

S.Sen,Company Secretary

PEERLESS HOTELS LTD. KOL

PEERLESS HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 CORPORATE INFORMATION

Peerless Hotels Limited ("the Company") is a public limited company incorporated in India having its registered office located at 12, Jawaharlal Nehru Road, Kolkata-700 013 in the State of West Bengal. The company is a subsidiary of The Peerless General Finance and Investment Company Limited. The Company is operating hotel and related services in Kolkata (West Bengal), Port Blair (Andaman and Nicobar Island) and Hyderabad (Telangana) for providing its guests the Hospitality Service. It is also opearting various outlets with take away and home delivery services for providing authentic Bengal foods and Beverages.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 STATEMENT OF COMPLIANCE

The financial statement have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"). The Company has complied with Ind AS issued, notified and made effective till the date of authorisation of the financial statements.

Accounting Policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.2 APPLICATION OF NEW AND REVISED STANDARDS

Effective April 01, 2021, the company has adopted the amendment vide Companies (Indian Accounting Standards) Amendment Rules, 2021 notifying amendment to existing Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" related to practical expedient for modification of financial instruments due to Inter-Bank Offered Rate Reforms. Further, extension on practical expedient to rent concession was continued under Ind AS 116 "Leases" and amendments were made consequent to issue of Conceptual Framework for financial reporting under Ind AS 102 "Share-based Payment", Ind AS 103 "Business Combinations", Ind AS 106 "Exploration for and Evaluation of Mineral Resources", Ind AS 114 "Regulatory Deferral Accounts", Ind AS 1 "Presentation of Financial Statements", Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", Ind AS 34 "Interim Financial Reporting", Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and Ind AS 38 "Intangible Assets".

There were certain other updates mostly clarifactory in nature under Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 104 "Insurance Contracts", Ind AS 105 "Non-current assets held for sale and discontinued operations", Ind AS 111 "Joint Arrangements", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes", Ind AS 16 "Property, Plant and Equipment", Ind AS 27 "Separate Financial Statements", Ind AS 28 "Investments in Associates and Joint Ventures" and Ind AS 40 "Investment Property".

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

2.3 RECENT ACCOUNTING PRONOUNCEMENTS

On April 04, 2022, Ministry of Corporate Affairs (MCA) has made certain ammendments to existing Ind AS vide Companies (Indian Accounting Standard) Ammendment Rules, 2022. These ammendments to the extent relevant to the company's operation include ammendment to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials)or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There are other ammendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the company.

Even though the company will evaluate the impact of above, none of these ammendments as such are vital in nature and are not likely to have material impact on the financial statements of the company.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

PEERLESS HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

3 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The Financial Statements have been prepared under the historical cost convention on accrual basis except for:

a) Certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period;

b) Certain class of Property, Plant and Equipment which on the date of transition i.e. have been fair valued to be considered as deemed costs; and

c) Defined benefit plans- Plan Assets measured at fair value

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

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

(a) Level 1: Inputs are quoted prices (unadjusted) in active markets for the same or identical assets or liabilities.

(b) Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

(c)Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

B. PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses. For this purpose cost includes deemed cost on the date of transition i.e. have been fair valued to be considered as deemed costs and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of servicing of property, plant and equipment which are recurring in nature are recognised in the statement of profit and loss when incurred.

The company's lease assets comprising of Buildings has been separately shown under PPE as Right of Use (ROU) Assets.

Capital work in progress includes equipment to be installed, construction, interest and other expenses incurred directly attributable to the assets. Such items are classifed to the appropriate categories when completed and ready for its intended use.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD KOL

C. LEASES

The Company's lease asset classes primarily consist of building/premises space taken on lease for Hotel business and opening outlets.The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii)the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability where applicable for all lease arrangements, except for leases with a term of twelve months or less (short-term leases)and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considerd for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments.The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. ROU asset are separately presented/disclosed under PPE. Lease liability obligations is presented seperately under the head "Financial Liabilities" and lease payments are classified as financing cash flows.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. Direct cost incurred in this respect are added to the said cost and lease incentive if any are deducted therefrom. They are subsequently measured at cost less accumulated depreciation and impairment losses.

D. DEPRECIATION AND AMORTISATION

Depreciation on PPE except otherwise stated, is provided as per Schedule II of the Companies Act, 2013 on straight line method over the estimated useful lives.

Depreciation on PPE commences when the assets are ready for their intended use. Estimated useful lives of various assets are as follows:

Category	Useful life
Buildings	60 Years
Plant and Equipments	15 Years
Office equipment	3 Years
Furniture and fixtures	10 Years
Office equipment	5 Years
Vehicles	8 Years

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Linen, carpet and other furnishing items in case of a new projects are capitalised as furniture and fixture and depreciated over three years. Subsequent expenditure in this respect are charged to Statement of Profit and Loss.

The residual value of an item of PPE is not more than 5% of the original cost of the respective asset.

Depreciation methods, useful lives and residual values are reviewed and given effect to as appropriate at each reporting date.

E. INTANGIBLE ASSETS:

Intangible assets are stated at cost of acquisition/deemed cost on transition date, comprising of purchase price inclusive of taxes and duties (net of Input Credit availed) less accumulated amortization and impairment losses. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Intangible assets are amortised fully (without keeping any residual value) on straight line basis over their estimated useful lives. Intangible assets are amortised over a period of five years or in a lesser priod if useful life is lower than five years on straight line basis.

Amortisation methods and useful lives are reviewed and given effect to as appropriate at each reporting date.

F. DERECOGNITION OF TANGIBLE AND INTANGIBLE ASSETS:

An item of PPE/ROU/Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE/Intangible Assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

G. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Tangible, Intangible and ROU assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years that reflects current market assessments of the time value of money and the risk specific to the asset.

H. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities (financial instruments) are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order 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 are measured at amortized cost.

The above Financial Assets and Financial Liabilities comprising of Borrowings, trade and other payables subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD KOL

(ii) **Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iii) For the purpose of para (i) and (ii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(iv) **Financial Assets or Liabilities at Fair value through profit or loss**
Financial instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

(v) **Impairment of financial assets**
A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

In case of trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(vi) **Derecognition of financial instruments**
The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration if any received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

(vii) **Offsetting financial instruments**
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(viii) **Cash and cash equivalents**
All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD KOL

I. INVENTORIES

Inventories consisting of food, beverages, provisions and wine and Liquor are valued at lower of cost or net realisable value. Cost of inventories are computed on FIFO basis. Cost in respect of food, beverages, provisions and wine and liquor includes expenses incidental to procurement of the same.

J. FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the period are recognized as income or expense in the statement of profit and loss.

K. EQUITY SHARE CAPITAL

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

L. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognised and disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

M. EMPLOYEE BENEFITS

Employee benefits are accrued in the year in which services are rendered by the employees.

Short Term Employee Benefits

Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Post-employment Benefit Plans

Contribution to defined contribution plans such as Provident Fund etc, is being made in accordance with statute and are recognised as and when incurred.

Contribution to gratuity under defined benefit plans in keeping with the related scheme are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in Other Comprehensive Income for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

Other Long-term Employee Benefits (Unfunded)

The cost of providing long-term employee benefits consisting of Leave Encashment is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

LODHA & CO * KOLKATA * Chartered Accountants

PEERLESS HOTELS LTD. * KOL *

N. REVENUE RECOGNITION

(i) Income from Operations

Revenue recognised is net of indirect taxes, rebates and discounts at a consideration expected to be realised in exchange for goods or services to the customer.

Revenue comprises sale of rooms, food and beverages and allied services and is recognised upon occupancy of rooms, sale of foods and beverages as per the arrangement with customers.

The Company operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and on redemption of such award points revenue is measured based on management's estimate of the fair value of the expected awards for which the points will be redeemed

(ii) Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

O. BORROWING COST

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

P. GOVERNMENT GRANTS

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Operating Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise to acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

Q. TAXES ON INCOME

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences with respect to carry forward of any unused tax losses/depreciation to the extent that it is probable that taxable profits will be available against these can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD KOL

R. EARNINGS PER SHARE

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

S. SEGMENT REPORTING

Operating segments are identified and reported taking into account the different risk and return, organisation structure and the internal reporting provided to the chief-operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Segment manager who allocates resources and assess the operating activities, financial results, forecasts, or plans for the segment.

4 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The notes provide an overview of the areas that involved a high degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant note together with information about basis of calculation of each affected line item in the financial statements. The key assumptions concerning the future and other key sources of estimation/assumptions at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and related revenue impact within the next financial year are discussed below:

a) **Depreciation/amortisation and Impairment against Property, Plant and Equipment / Intangible Assets.**

Property, plant and equipment, ROU Assets and intangible assets are depreciated/amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with internal assessment and independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated useful life and residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be recognised is estimated by reference to the estimated value in use or recoverable amount of the respective assets. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the future cash flows are estimated based on assumptions involving future projections and profitability which are inherently uncertain and are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

Accordingly as stated in Note no. 44(b) based on such review and considering the current operations and emerging business operations and projections further impairment of Rs. 643.83 lakhs has been adjusted in the carrying value of one of the CGUs. As at March 31, 2022, the carrying amount of Property, Plant and Equipment, Intangible Assets and Capital Work in Progress is Rs. 9,785.41 Lakhs (March 31, 2021: Rs. 10,796.54 Lakhs).

b) Arrangements containing Leases and classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account among other thing, the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

c) Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

d) Defined benefit obligation (DBO)

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based on current market conditions

e) Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management uses in-house and external legal professional to make judgment for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

f) Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. The management does not expect any tax liability in respect to on ongoing tax litigations based on independent professional advises received in this respect.

The Company has significant amount of unused tax losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing for utilisation thereof against taxable profit in future years and the level of future taxable profit together with future tax planning strategies. The management has reviewed the rationale for recognition of DTA and based on the likely timing and level of profitability in future and expected utilisation of deferred tax thereagainst and has been recognised during the year. These are based on assumptions and projections for future which are inherently uncertain. The amount of DTA may vary in subsequent years depending upon then prevailing condition, circumstances and profitability.

g) Going Concern Amidst uncertainity during COVID 19

The company has assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services and has paused its capital expansion plan. The Company considering the liquidity and resources available is in a position to meet its financial commitments and obligations. The Company has also assessed the potential impact of COVID-19 on the carrying value of current and non-current assets as on March 31, 2022. Such estimates do not indicate any material shortfall in value of various current assets requiring any adjustment in it's financial statements. Considering the resources available and the financial position and steps taken towards disaster management and to overcome the current situations, the going concern assumption over a period of one year is not expected to be vitiated.The Company will continue to closely monitor any material changes to future economic conditions and take necessary corrective measures .

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD KOL

(Rs. in lakhs)

5(a) PROPERTY, PLANT AND EQUIPMENTS
As at March 31, 2022

Particulars	Land	Buildings	ROU Building	Plant and Equipments	Electrical Fittings and Installation	Office Equipment	Furniture and Fixtures	Vehicles	Grand Total
Gross Block									
As at March 31, 2021	6,155.48	4,479.23	545.06	1,347.96	45.04	149.09	555.15	105.54	13,382.55
Addition	-	-	-	16.94	-	1.42	4.94	0.06	23.36
Disposal/Other Adjustments	-	-	-	10.51	-	8.82	7.95	8.65	35.93
As at March 31, 2022	6,155.48	4,479.23	545.06	1,354.39	45.04	141.69	552.14	96.95	13,369.98
Impairment									
As at March 31, 2021	951.91	-	-	-	-	-	-	-	951.91
Charge for the period	-	643.83	-	-	-	-	-	-	643.83
Disposal/Other Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2022	951.91	643.83	-	-	-	-	-	-	1,595.74
Accumulated Depreciation									
As at March 31, 2021	-	283.77	187.91	694.82	7.96	102.36	330.27	36.40	1,643.49
Charge for the period	-	74.35	97.91	120.97	4.27	15.21	60.47	13.31	386.49
Disposal/Other Adjustments	-	-	-	10.20	-	8.46	7.89	7.11	33.66
As at March 31, 2022	-	358.12	285.82	805.59	12.23	109.11	382.85	42.60	1,996.32
Net Carrying value As at March 31, 2022	5,203.57	3,477.28	259.24	548.80	32.81	32.58	169.29	54.35	9,777.92

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS

(Rs. in lakhs)

As at March 31, 2021

Particulars	Land	Buildings	ROU Building	Plant and Equipments	Electrical Fittings and Installation	Office Equipment	Furniture and Fixtures	Vehicles	Grand Total
Gross Block									
As at March 31, 2020	6,155.48	4,467.93	779.99	1,340.04	44.81	155.17	558.01	112.23	13,613.66
Addition	-	11.61	38.32	11.55	0.23	0.33	-	-	62.04
Disposal/Other Adjustments	-	0.31	273.25	3.63	-	6.41	2.86	6.69	293.15
As at March 31, 2021	6,155.48	4,479.23	545.06	1,347.96	45.04	149.09	555.15	105.54	13,382.55
Impairment									
As at March 31, 2020	-	-	-	-	-	-	-	-	-
Charge for the period	951.91	-	-	-	-	-	-	-	951.91
Disposal/Other Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2021	951.91	-	-	-	-	-	-	-	951.91
Accumulated Depreciation									
As at March 31, 2020	-	209.14	181.19	544.52	3.70	90.04	259.73	27.20	1,315.52
Charge for the period	-	74.68	96.57	153.75	4.26	18.41	73.26	14.55	435.48
Disposal/Other Adjustments	-	0.05	89.85	3.45	-	6.09	2.72	5.35	107.51
As at March 31, 2021	-	283.77	187.91	694.82	7.96	102.36	330.27	36.40	1,643.49
Net Carrying value As at March 31, 2021	5,203.57	4,195.46	357.15	653.14	37.08	46.73	224.88	69.14	10,787.15

Notes:

5.1 The Gross Block includes certain Property, Plant and Equipment i.e. freehold land and building which have been valued by an Independent valuer appointed in this respect and considered as "deemed cost" resulting in increase in value by Rs. 4,060.94 lakhs as on April 01, 2017 (i.e. transition date) in accordance with the provisions of Ind AS 101 "First-time adoption of Indian Accounting Standards".

5.2 "ROU Buildings" relates to building premises taken on lease and recognised as "Right of Use" in terms of Ind AS 116 (Refer Note no. 41).

5.3 During the previous year, the Company had carried out the Impairment testing determining the Fair Value less cost to Sale and Value in Use of PPE. The said Valuation was been carried out by an Independent Valuer appointed in this respect.

For the said purpose, each hotel located at various places were considered to be a Cash Generating Units (CGU) for arriving at the value in use. Value in use has been computed as per the Discounted Cash Flow method based on future projections and assumptions.

Based on such review as indicated in Note no. 44(b) impairment of Rs. 951.91 lakhs was provided during the year ended March 31, 2021. The amount of impairment has been further reviewed in the current year based on current operations and emerging business operations and projections and prevailing market price of the CGU and further Impairment of Rs. 643.83 lakhs with based on recoverable value of Property, Plant and Equipment and Right of Use Assets as estimated has been recognised in these financial statements.

5.4 Capital Work in Progress amounting to Rs. 0.16 lakhs lying in respect of certain replacement items to be carried out being no longer necessary and thereby suspended by the management have been charged to Statement of Profit and Loss

5.5 Refer note. No. 18 in respect of charge created against borrowings.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. in lakhs)

5(b) OTHER INTANGIBLE ASSETS

As at March 31, 2022

Particulars	Gross Block				Amortisation				Net carrying amount
	As at March 31, 2021	Additions	Other Adjustments	As at March 31, 2022	As at March 31, 2021	Charge for the period	Other Adjustments	As at March 31, 2022	
Computer Softwares	28.24	1.23	-	29.47	19.01	2.97	-	21.98	7.49

As at March 31, 2021

Particulars	Gross Block				Amortisation				Net carrying amount
	As at March 31, 2020	Additions	Other Adjustments	As at March 31, 2021	As at March 31, 2020	Charge for the period	Other Adjustments	As at March 31, 2021	
Computer Softwares	28.24	-	-	28.24	14.00	5.01	-	19.01	9.23

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. in lakhs)

6 NON-CURRENT INVESTMENTS

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Investment designated at Fair Value through Other Comprehensive Income			
Investments in Equity Instruments			
UNQUOTED			
Peerless Hospitex Hospital and Research Center Limited			
70,000 Equity Shares (March 31 ,2021- 70,000) @ Rs. 10/- each fully paid up		25.46	27.14
TOTAL		**25.46**	**27.14**

6.1 Aggregate Book Value of Unquoted Investments — 25.46 — 27.14

6.2 Particulars of invesments as required in terms of section 186(4) of the Companies Act,2013 have been disclosed under note 6 and 11

7 OTHER FINANCIAL ASSETS

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Goods			
Security Deposits		111.90	111.03
TOTAL		**111.90**	**111.03**

8 NON-CURRENT TAX ASSETS (NET)

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Advance Income Tax including Tax deducted at source (Net of Provision Rs. 102.66 Lakhs (March 31, 2021: Rs. 1,422.98 lakhs))		145.60	183.15
TOTAL		**145.60**	**183.15**

9 OTHER NON-CURRENT ASSETS

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Capital Advances		-	218.94
Advance to Employee		3.59	4.44
Prepaid expenses		2.78	3.21
Deferred Assets		4.03	4.55
TOTAL		**10.40**	**231.14**

10 INVENTORIES

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
(As taken, valued and certified by the management)			
(Valued at Cost or Net Realisable Value, whichever is lower)			
Provision, Beverages and Smokes		10.68	8.05
Wine and Liquor		9.28	12.21
TOTAL		**19.96**	**20.26**

10.1 Refer note. No. 18 in respect of charge created against borrowings.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Rs. in lakhs)

11 CURRENT INVESTMENTS

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Investments measured at fair value through Profit and Loss			
Investment in Mutual Funds			
UNQUOTED			
SBI Saving Fund - Regular Plan- Growth 1,65,49,56.01 Units (March 31,2021: 1,65,49,56.01 Units) of Rs. 10.00 each.		557.60	539.04
		557.60	539.04
TOTAL		557.60	539.04

11.1	Aggregate Book Value of Quoted Investments in Mutual Funds	557.60	539.04
11.2	Aggregate amount of NAV of Investments in Mutual Funds		

11.3 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed herein above.

11.4 Refer note. No. 18 in respect of charge created against borrowings.

12 TRADE RECEIVABLES

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
(Unsecured)	12.1	154.05	144.94
Considered Good	12.1	10.37	10.37
Credit Impaired (Doubtful)		164.42	155.31
	12.2	(10.37)	(10.37)
Less: Impairment Allowance for Doubtful Debts			
TOTAL		154.05	144.94

12.1 Trade Receivable ageing schedule of outstanding amount in respect of year ended on March 31, 2022 and March 31, 2021 based on the due date are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Undisputed Trade Receivable- Considered Good		
Less than 6 Months	112.63	90.56
6 months - 1 Year	4.43	8.93
1-2 Years	23.19	42.40
2-3 years	8.34	0.50
More than 3 years	5.46	2.55
Net Total	154.05	144.94
Unsecured, Disputed Trade Receivable- Credit Impaired		
Less than 6 Months	-	-
6 months - 1 Year	-	-
1-2 Years	-	-
2-3 years	-	-
More than 3 years	10.37	10.37
Net Total	10.37	10.37

12.2 Movement of Impairment Allowances for doubtful debts

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the period	10.37	10.37
Recognised during the period	-	-
Reversal during the period	-	-
Balance at the end of the period	10.37	10.37

12.3 Refer note. No. 18 in respect of charge created against borrowings.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD KOL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Rs. in lakhs)

13 CASH AND CASH EQUIVALENTS

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Balances with Banks:			
In current accounts		213.54	134.97
Cheques in hand		0.79	0.09
Cash in hand		5.03	6.25
Fixed Deposits with original maturity of less than 3 months		176.21	236.65
TOTAL		**395.57**	**377.96**

13.1 Refer note. No. 18 in respect of charge created against borrowings.

14 OTHER FINANCIAL ASSETS

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good			
Interest Receivable		4.84	4.44
Guest Balance and Credit Card Collection		10.53	9.91
Rent and Other Receivable		34.39	13.89
TOTAL		**49.76**	**28.24**

14.1 Refer note. No. 18 in respect of charge created against borrowings.

15 OTHER CURRENT ASSETS

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Advances to Supplier		255.64	11.60
Loans and Advances to Employees		2.27	4.25
Prepaid expenses		52.09	36.83
TOTAL		**310.00**	**52.68**

15.1 Refer note. No. 18 in respect of charge created against borrowings.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Rs. in lakhs)

16 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Shares		
50,00,000 (March 31, 2021: 50,00,000) Equity Shares of Rs. 10/- Each	500.00	500.00
	500.00	500.00
Issued, Subscribed and Fully Paid Up Shares		
45,80,000 (March 31, 2021: 45,80,000) Equity Shares of Rs. 10/- each fully paid up	458.00	458.00
	458.00	458.00

16.1 The Company has one class of shares referred to as Equity Shares having a par value of Rs. 10.00 each. Each Holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive assets of the Company remaining after distribution of all preferential amounts, in proportion of their shareholding.

16.2 There is no movement in the number of shares outstanding at the beginning and at the end of the year.

16.3 The details of shareholders holding more than 5% of the aggregate shares in the company:

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No.of Shares	%	No.of Shares	%
The Peerless General Finance and Investment Company Limited (Holding and Promoter Company)	45,77,716	99.95%	45,77,716	99.95%

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.

16.4 There is no movement in the Promoter Shareholding as at the beginning and at the end of the year.

LODHA & CO. Accountants

PEERLESS HOTELS LTD. KOL.

17 OTHER EQUITY

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Securities Premium	17.1		
As per last balance sheet		3,741.00	3,741.00
General Reserve	17.2		
As per last balance sheet		3,260.84	3,260.84
Retained earnings	17.3		
As per last balance sheet		3,151.82	4,859.22
Profit/(Loss) for the year		(796.44)	(1,621.92)
Dividend payments including Dividend Distribution Tax		-	(137.40)
Transfer from Other Comprehensive Income		5.64	51.92
		2,361.02	3,151.82
Other Comprehensive Income	17.4		
Re-measurement of defined benefit plan			
As per last balance sheet		-	-
Other Comprehensive Income for the year		5.64	51.92
Transfer to retained earnings		(5.64)	(51.92)
		-	-
Equity Instrument through Other Comprehensive Income			
As per last balance sheet		16.42	13.77
Other Comprehensive Income for the year		(1.40)	2.65
		15.02	16.42
TOTAL		9,377.88	10,170.08

17.1 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

17.2 General Reserve

General reserve is a free reserve which is created by transfer of profits from retained earnings. As the general reserve is created by a transfer from one component to another and is not an item of Other Comprehensive Income, items included included in the general reserve is generally not reclassified subsequently to Statement of Profit and Loss.

17.3 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company. This includes Rs. 1,820.32 lakhs (March 31, 2021: Rs. 2,110.28 lakhs) (net of tax) represented by changes in carrying amount of Property, Plant and Equipments being measured at fair value and considered as deemed cost as on date of transition to Ind AS and Other Comprehensive Income of (Rs. 24.68 lakhs) (March 31, 2021: (Rs. 19.04 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss. The amount reported above are not distributable in entirety.

17.4 Other Comprehensive Income

The company has elected to recognise changes in the fair value of non-current investments in Equity instruments through OCI. This reserve represents the cumulative gains and losses arising on equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed. This also includes gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 17.3 above.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL.

18 BORROWINGS

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Secured Borrowings	18.1 to 18.4		
Term Loan from Bank		291.57	-
Less: Disclosed under Current Maturity of Long Term Debt- Secured	22	(33.00)	-
TOTAL		258.57	-

18.1 Security

(i) Term Loan I from bank is secured by:

a) Equitable mortgage of land and building having Gross Block of Rs. 4,474.86 lakhs situated at Holding no. 118, 21, Chowringee Place, Kolkata-13 admeasuring 15 Cottah 9 chittak;

b) Exclusive hypothecation of entire current assets of the company both present and future; and

c) Second charge on entire machinery, furniture and fixture, equipment and other assets to be procured under the renovation program to be financed by Term Loan II.

18.2 The interest rate for the above loans is Repo Rate+ 4.55% P.A (i.e. 8.55% as on March 31, 2022).

18.3 Repayment terms:

Particulars	Amount
2022-2023	33.00
2023-2024	64.00
2024-2025	96.00
2025-2026	98.57

18.4 The amount disclosed herein above represents the amortised cost in accordance with Ind AS 109 "Financial Instruments".

19 OTHER FINANCIAL LIABILITIES

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Security Deposits		1.62	1.61
TOTAL		1.62	1.61

20 PROVISIONS

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits			
Compensated Absences	37	70.30	80.61
Gratuity	37	-	5.13
TOTAL		70.30	85.74

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. in lakhs)

21 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities	273.50	545.72
TOTAL	273.50	545.72

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2022 are given below:

Particulars	As at March 31, 2021	Charge/ (Credit) recognised in Statement of profit and loss	Charge/ (Credit) recognised in OCI/ Retained Earnings	As at March 31, 2022
Deferred Tax Assets:				
Expenses allowable on payment basis	36.85	(2.02)	1.90	36.97
Unabsorbed Depreciation	104.14	(97.63)	-	201.77
Unabsorbed Business Loss	430.60	170.33	-	260.27
Timing difference with respect to ROU assets	12.42	(10.49)	-	22.91
Others	28.95	(0.16)	-	29.11
Total Deferred Tax Assets	612.96	60.03	1.90	551.03
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	15.49	4.97	(0.28)	20.18
Timing difference with respect to Property, Plant and Equipment and other intangible assets	1,143.19	(338.84)	-	804.35
Total Deferred Tax Liabilities	1,158.68	(333.87)	(0.28)	824.53
NET DEFERRED TAX (ASSETS)/ LIABILITIES	545.72	(273.84)	1.62	273.50

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2021 are given below:

Particulars	As at March 31, 2020	Charge/ (Credit) recognised in Statement of profit and loss	Charge/ (Credit) recognised in OCI/ Retained Earnings	As at March 31, 2021
Deferred Tax Assets:				
Expenses allowable on payment basis	65.46	11.78	16.83	36.85
Unabsorbed Depreciation	-	(104.14)	-	104.14
Unabsorbed Business Loss	-	(430.60)	-	430.60
Timing difference with respect to ROU assets	6.82	(5.60)	-	12.42
Others	20.09	(8.86)	-	28.95
Total Deferred Tax Assets	92.37	(537.42)	16.83	612.96
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	3.72	11.01	0.76	15.49
Timing difference with respect to Property, Plant and Equipment and other intangible assets	1,115.11	28.08	-	1,143.19
Total Deferred Tax Liabilities	1,118.83	39.09	0.76	1,158.68
NET DEFERRED TAX (ASSETS)/ LIABILITIES	1,026.46	(498.33)	17.59	545.72

21.1 The rationale for recognition of Deferred Tax Assets on unabsorbed business loss and depreciation has been reviewed based on the expected sustainability of profit and growth in volume of business as per the current projections and estimates prepared by the management. In view of the management, future taxable income of the company considering the projected volume of operations in future will be sufficient to absorb the deferred tax assets.

21.2 The Expiry date for accumulated business loss are as follows:

Particulars	Year of Expiry	As at March 31, 2022
Business Loss	AY 2029-2030	878.05
Business Loss	AY 2030-2031	156.06
Unabsorbed depreciation	No Expiry	801.57

LODHA & CO
KOLKATA
Chartered Accountants

PEERLESS HOTELS LTD.
KOL

(Rs. in lakhs)

22 BORROWINGS

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Secured			
Current maturities of long-term debts- Secured	18	33.00	-
TOTAL		33.00	-

23 TRADE PAYABLES

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Payable for goods and services			
Due to Micro and Small Enterprises	23.1	5.87	2.04
Others		318.45	462.84
TOTAL		324.32	464.88

23.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2022	As at March 31, 2021
a) Principal amount remaining unpaid but not due as at year end	5.87	2.04
b) Interest amount remaining unpaid but not due as at year end	-	-
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remaining unpaid as at year end	-	-
e) 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	-	-

23.2 Trade Payable ageing schedule for the year ended on March 31, 2022 and March 31, 2021 based on the outstanding based on the period from date of posting are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed - MSME		
Less than 1 year	5.87	2.04
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	5.87	2.04
Undisputed - Non MSME		
Less than 1 year	281.89	401.24
1-2 years	24.84	50.23
2-3 years	6.35	6.42
More than 3 years	5.37	4.95
	318.45	462.84

There are no disputed dues in the company and as such necessary disclosure in this respect has not been made.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL.

24 OTHER FINANCIAL LIABILITIES

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Interest Accrued but not due	18	2.33	-
Other Payables			
Capital Vendor		5.32	22.40
Others		6.45	3.40
TOTAL		14.10	25.80

25 OTHER CURRENT LIABILITIES

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Advances from Customers		84.08	70.75
Statutory Payables- PF, ESI, GST, TDS etc		74.81	58.08
Deferred Revenue		4.89	3.43
Deferred Expenses on Liabilities		-	0.01
Others		-	1.99
TOTAL		163.78	134.26

26 PROVISIONS

Particulars	Refer Note no.	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits			
Bonus and Exgratia		57.55	57.90
Compensated Absences	37	53.50	40.36
Gratuity	37	13.66	15.00
Other Provisions	26.1	115.65	104.87
TOTAL		240.36	218.13

26.1 Other provision represents claims by certain employees not acknowledged by the company pending resolution on the matter by the labour court and determination of the amount thereof. Carrying amount in this respect at the end of the period is Rs. 115.65 Lakhs (March 31, 2021: Rs. 104.87 Lakhs).Provision of Rs. 10.78 Lakhs (March 31, 2021: Rs. 10.88 Lakhs) has been created and Nil (March 31, 2021: 13.38 Lakhs) has been paid during the year in this respect.

(Rs. In lakhs)

27 REVENUE FROM OPERATIONS

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from Contract with Cusomers	27.1	2,534.58	1,199.35
Rooms Revenue, Food and Beverages		38.17	26.92
Other Services			
Other Operating Revenue		18.07	20.50
Liabilities/Provision no longer required written back		2.30	0.33
Incentive and Commission			
TOTAL		2,593.12	1,247.10

27.1 Disaggregate Revenue

The Revenue has been recognised based on point of sale. The break up with respect to type of revenue stream of the Company are as follows:

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Rooms Revenue		1,223.20	493.68
Food and Beverage		815.09	323.43
- Hotel Services		428.66	334.94
- Food Outlets		67.63	47.30
Wine and Liquor		2,534.58	1,199.35

28 OTHER INCOME

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest Income on Financial Assets at Amortised Cost		4.96	19.87
-On Fixed Deposits and others		5.31	7.16
-On Other Financial Assets		21.92	13.87
-On Income Tax Refund		-	9.09
Provision no longer required written back	33.2	59.53	7.63
Net Gain on termination/Lease Modification of ROU Assets	41(vi)	-	0.35
Dividend Income from Non-Current Investment			
Net gain on fair valuation of Current Investment on fair valuation		18.56	26.05
through profit and loss		0.43	-
Profit on sale of Fixed Assets(Net)		16.11	17.99
Rental Income		4.12	7.17
Miscellaneous Income			
TOTAL		130.94	109.18

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. In lakhs)

29 CONSUMPTION OF PROVISIONS, STORES AND WINES

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Provisions, Beverages and Smokes			
Inventory at the beginning		8.05	14.85
Add: Purchases		372.65	241.59
Less: Closing Inventory		10.68	8.05
Consumption		370.02	248.39
Wine and Liquor			
Inventory at the beginning		12.21	16.50
Add: Purchases		19.69	14.27
Less: Closing Inventory		9.28	12.21
Consumption		22.62	18.56
TOTAL		392.64	266.95

30 EMPLOYEE BENEFITS EXPENSE

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, Wages and Bonus		1,077.20	821.11
Contribution to Provident and Other funds	37	90.63	84.21
Staff Welfare Expenses		185.40	133.21
TOTAL		1,353.23	1,038.53

31 FINANCE COST

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest Expense on Lease Liabilities	41	34.56	41.20
Interest Expense on Financial Liabilities at amortised cost		0.01	0.12
Interest Expense on Term Loan From Bank		7.28	-
TOTAL		41.85	41.32

32 DEPRECIATION AND AMORTISATIONS

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation on Tangible Assets	5(a)	386.49	435.48
Amortisation of Intangible Assets	5(b)	2.97	5.01
TOTAL		389.46	440.49

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Rs. in lakhs)

33 OTHER EXPENSES

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Crockeries, Cutleries and Others		8.42	1.83
Linen and Laundry Expenses		28.98	9.54
Expenses on Apartment and Board		115.19	111.73
Power, Fuel and Water Charges		307.70	214.29
Repairs and Maintenance			
- Building		50.61	22.72
- Machinery		32.23	23.55
-Others		32.58	20.79
Rent	41	14.62	6.70
Rates and Taxes		89.64	68.46
Printing and Stationery		15.13	5.88
Insurance		14.51	17.82
Travelling and Conveyance		4.52	8.45
Communication Charges		14.81	16.65
Auditors' Remuneration			
Audit Fees		7.00	7.00
Commission		87.50	38.84
Professional and Technical Service Charges		30.91	16.06
Motor Car Upkeep and Car hire charges		38.91	25.28
Licence Fees		27.01	30.03
Advertisement and Publicity		35.60	22.01
Hiring charges		12.40	4.06
Directors' fee		6.00	4.90
Bad Debts	33.2	1.14	2.79
Sundry Balances/Irrecoverable Balances Written Off		-	9.22
Charity and Donation	33.1	0.33	-
CSR Activities	26.1	-	13.43
Provision for Claims and Contingencies		10.78	10.88
Loss on sale of fixed Assets (Net)		-	0.63
Legal and Court expenses		7.04	4.57
Miscellaneous Expenses		15.27	7.68
TOTAL		1,008.83	725.79

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

33.1 The Company had in earlier years constituted Corporate Social Responsibility (CSR) Committee to prescribe CSR policies and its implementation as per section 135 of Companies Act, 2013. Disclosure in respect of the same are as follows:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
a) Gross amount required to be spent by the company during the year	-	12.84
b) Amount Spend during the year on:		
(i) Construction/ acquisition of any assets		
- In Cash	-	-
- Yet to be paid in Cash	-	-
Total		-
(ii) On purpose other than (i) above		
- In Cash	-	13.43
- Yet to be paid in Cash	-	-
Total	-	13.43

33.2 In respect of Loan of Rs. 9.09 Lakhs outstanding as on March 31, 2021 from Kaizen Leaseure and Holidays Limited, the company was not able to make regular payment and as such became overdue for payment. Considering the recoverability etc. in this respect these had been written off with corresponding impairment amount being written back in this respect.

34 **Tax EXPENSES- CURRENT TAX**

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Provision for Current Tax		-	-
TOTAL		-	-

34.1 **Components of Tax Expense:**

Particulars	Refer Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current tax			
In respect of the current Year		-	-
In respect of the Earlier Year		(35.50)	11.54
Total Current tax expense recognised in the current Year		(35.50)	11.54
Deferred tax			
In respect of the current year		(273.84)	(498.33)
Total Deferred tax expense recognised in the current Year		(273.84)	(498.33)
Total Tax expense recognised in the current year		(309.34)	(486.79)

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Rs. in lakhs)

34.2 Reconciliation of Income tax expense for the period with accounting profit is as follows:

a) Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit/(Loss) before tax	(1,105.78)	(2,108.71)
Income tax expense calculated at tax rate	(278.30)	(516.25)
Adjustments:		
Effect of changes in Tax Rates	-	(3.34)
Deduction u/s 80-G and CSR Expenditure	-	3.29
Payments and adjustment made in Previous year Return	3.78	17.42
Effect of other adjustments	0.68	0.55
Earlier Year taxes	(35.50)	11.54
Total Tax expense recognised in the current year	(309.34)	(486.79)

b) The tax rate used for reconciliations above is 25.17% (March 31, 2021: 25.17%) as applicable for corporate entities on taxable profits under the Indian tax laws based on exercised the option for paying Income tax at concessional rates subject to the provisions/conditions as specified under Section 115BAA of the Income-tax Act, 1961.

34.3 Income tax recognised in other comprehensive income

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	(0.28)	(0.76)
Remeasurement of defined benefit obligation	1.90	(16.83)
Total income tax recognised in other comprehensive income	1.62	(17.59)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	1.62	(17.59)
Items that may be reclassified to profit or loss	-	-

35 Components of Other Comprehensive Income

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net fair value gain on investments in Equity Shares at FVTOCI	(1.68)	3.41
Remeasurement of defined benefit obligation	7.54	68.75
	5.86	72.16

(Rs. in lakhs)

36 Related Party Disclosures

Related parties have been identified in terms of Ind As 24 on "Related Party Disclosure" as listed below :

List of Related Parties where control exists

A Name of the Related Party

(i) Holding Company

The Peerless General Finance & Investment Company Limited.

(ii) Associates, Group Enterprises and companies under common control

Kaizen Leisure & Holidays Limited
Peerless Financial Products Distribution Limited
Peerless Hospitex Hospital & Research Center Limited
Peerless Financial Services Limited
Peerless Securities Limited
Bengal Peerless Housing Development Company Limited
Kaizen Hotels & Resorts Limited

(ii)

Key Management Personnel and their Relatives	Relationship
Late S. K. Roy	Director (Deceased on May 08, 2022)
Mr. J. Roy	Director
Mr. Kunal Sen	Executive Director
Mr. S. Balasubramanian	Director
Mr. B. Lahiri	Director
Mr. R. Gujral	Director
Mr. N. Saha	Director
Mr. P. P. Ray	Director (Resigned w.e.f January 01, 2022)
Mr. S. Bhattacharya	Director
Mrs. Debasree Roy Sarkar	Relative of Director

36.1 Related Party Transaction

Nature of Transaction	Holding company		Associates/Group Enterprise and Companies under Common Control		Key Management Personnel & relatives of Directors		TOTAL	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
REVENUE								
BANQUET, ROOM SALES AND OTHER INCOME (INCLUSIVE OF APPLICABLE TAXES)								
Peerless Hospitex Hospital & Research Center Limited	-	-	3.09	-	-	-	3.09	-
The Peerless General Finance & Investment Company Limited	2.44	2.71	-	-	-	-	2.44	2.71
Peerless Securities Limited	-	-	-	0.04	-	-	-	0.04
Kaizen Leisure & Holidays Limited	-	-	0.42	-	-	-	0.42	-
Peerless Financial Products Distribution Limited	-	-	-	0.89	-	-	-	0.89

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

Nature of Transaction	Holding company		Associates/Group Enterprise and Companies under Common Control		Key Management Personnel & relatives of Directors		TOTAL	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Peerless Financial Services Limited	-	-	0.09	-	-	-	0.09	-
Kaizen Hotels & Resorts Limited	-	-	1.43	-	-	-	1.43	-
EXPENSES								
RENT								
Peerless Financial Services Limited	-	-	5.68	5.68	-	-	5.68	5.68
LEASE PAYMENT								
The Peerless General Finance & Investment Company Limited	-	87.74	-	-	-	-	-	87.74
Electricity, Telephone Charges, Professional Fees, Travelling Expenses , Maintenance & Medical Expenses								
The Peerless General Finance & Investment Company Limited	0.56	0.79	-	-	-	-	0.56	0.79
Bengal Peerless Housing Development Company Limited	-	-	11.04	9.73	-	-	11.04	9.73
Kaizen Leisure & Holidays Limited	-	-	0.92	0.75	-	-	0.92	0.75
Peerless Hospitex Hospital & Research Center Limited	-	-	0.89	0.55	-	-	0.89	0.55
DIRECTORS REMUNERATION								
Kunal Sen	-	-	-	-	51.23	37.80	51.23	37.80
REMUNERATION PAID								
Debasree Roy Sarkar	-	-	-	-	31.77	23.49	31.77	23.49
DIVIDEND RECEIVED								
Peerless Hospitex Hospital & Research Center Limited	-	-	-	0.32	-	-	-	0.32
DIVIDEND PAID								
The Peerless General Finance & Investment Company Limited	-	137.33	-	-	-	-	-	137.33
Peerless Financial Products Distribution Limited	-	-	-	0.01	-	-	-	0.01
Peerless Hospitex Hospital & Research Center Limited	-	-	-	0.01	-	-	-	0.01
CLOSING BALANCE								
TRADE AND OTHER RECEIVABLES								
Kaizen Hotels & Resorts Limited	-	-	14.01	-	-	-	14.01	-
Peerless Hospitex Hospital & Research Center Limited	-	-	-	0.02	-	-	-	0.02

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KCL

Nature of Transaction	Holding company		Associates/Group Enterprise and Companies under Common Control		Key Management Personnel & relatives of Directors		TOTAL	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
EQUITY CONTRIBUTION								
Peerless Hospitex Hospital & Research Center Limited	-	-	7.00	7.00	-	-	7.00	7.00
CAPITAL ADVANCES AGAINST PURCHASE OF FLAT								
Bengal Peerless Housing Development Company Limited	-	-	-	196.10	-	-	-	196.10
LEASE OBLIGATIONS								
The Peerless General Finance & Investment Company Limited	350.28	424.28	-	-	-	-	350.28	424.28
TRADE PAYABLES								
The Peerless General Finance & Investment Company Limited	1.09	70.38	-	-	-	-	1.09	70.38
Bengal Peerless Housing Development Company Limited	-	-	1.03	11.20	-	-	1.03	11.20
Peerless Financial Services Limited	-	-	-	0.96	-	-	-	0.96
Kaizen Leisure & Holidays Limited	-	-	-	0.17	-	-	-	0.17
Peerless Hospitex Hospital & Research centre Ltd.	-	-	0.71	0.77			0.71	0.77

The remuneration of directors and other member of key management personnel during the year was as follows:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Short-term employee benefits	47.96	35.24
Post-employment benefits	3.27	2.56
Other long-term benefits	-	-
TOTAL	51.23	37.80

Notes:

1) The above related party information is as identified by the management and relied upon by the auditor

2) In respect of above parties, there is no provision for doubtful debts as on March 31, 2022 and no amount has been written back or written off during the year in respect of debts due from/ to them

3) Post-Employee benefits and other long term employee benefits have been disclosed made on retirement/resignation of services but does not include provision made on acturial basis as the same is available for all the employees together.

4) Terms and conditions of transactions with related parties

All transactions from related parties are made in ordinary course of business. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Rs. in lakhs)

37 **Employee Benefit**

The disclosures required under Ind AS 19 on "Employee Benefits", are given below:

Defined Contribution Plan

The Company makes contributions to Provident Fund and Pension Scheme for eligible employees. Under the schemes, the Company is required to contribute a specified percentage/fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority. Contributions towards provident funds are recognised as an expense for the year. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/their nominees at retirement, death or cessation of employment.

Contributions to Defined Contribution Plans, recognized for the year ended March 31, 2022 and corresponding figure of the previous year are as under:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Employer's Contribution to Provident Fund	27.98	32.78
Employer's Contribution to Pension Scheme	42.06	17.94
Total	**70.04**	**50.72**

Defined Benefit Plan

The Employee's Gratuity Fund scheme managed by Life Insurance Corporation of India Limited is a defined benefit plan. The present value of obligation is determined based on independent actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered by insurance companies. Such gratuity funds, whose investments are managed by insurance companies, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended March 31, 2022 and corresponding figures for the previous year:

Particulars	Gratuity (Funded)	
	As at March 31, 2022	As at March 31, 2021
a) Change in the present value of the defined benefit obligation:		
Liability at the beginning of the year	306.82	340.11
Interest Cost	17.48	20.56
Current Service Cost	19.78	25.52
Benefits paid	(13.70)	(12.29)
Remeasurements - Due to Financial Assumptions	(1.58)	(61.28)
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Experience Adjustments	(5.62)	(5.80)
Liability at the end of the year	**323.18**	**306.82**

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
b) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	286.69	228.19
Expected return on Plan Assets	16.67	13.72
Contributions by the Company	19.52	55.40
Benefits paid	(13.70)	(12.29)
Remeasurements - Return on Assets (Excluding Interest Income)	0.34	1.67
Fair value of Plan Assets at the end of the year	309.52	286.69
c) Amount recognised in Balance Sheet		
Liability at the end of the year	323.18	306.82
Fair value of Plan Assets at the end of the year	309.52	286.69
Amount recognised in the Balance Sheet	13.66	20.13

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
d) Components of Defined Benefit Cost		
Current Service Cost	19.78	25.52
Interest Cost	17.48	20.56
Expected return on plan assets	(16.67)	(13.72)
Total Defined benefit recognised in Statement of Profit and Loss Account	20.59	32.36
e) Remeasurements recognised in Other Comprehensive Income		
Remeasurements - Due to Financial Assumptions	(1.58)	(61.28)
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Experience Adjustments	(5.62)	(5.80)
Remeasurements- Return on Assets	(0.34)	(1.67)
Remeasurements recognised in Other Comprehensive Income	(7.54)	(68.75)

Particulars	As at March 31, 2022	As at March 31, 2021
f) Balance Sheet Reconciliation		
Opening Net Liability	20.13	111.92
Defined Benefit Cost included in Statement of Profit and Loss Account	20.59	32.36
Remeasurements recognised in OCI	(7.54)	(68.75)
Employers Contribution	(19.52)	(55.40)
Benefit Paid Directly by Enterprise	-	-
Amount recognised in Balance Sheet	13.66	20.13
g) Percentage allocation of plan assets are as follows:		
Fund managed by Insurer	100.00%	100.00%
h) Summary of Financial Assumptions		
Discount Rate	6.50%	6.40%
Future Salary Increase	0%until year 1 inclusive, then5%	0%until year 2 inclusive, then5%
Salary Escalation- After Five Years	5.00%	5.00%
Expected Return on Plan Assets	6.50%	6.40%

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

PEERLESS HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Summary of Demographic Assumptions		
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table]	100.00%	100.00%
Disability Table (as % of above mortality rate)	5.00%	5.00%
Withdrawal Rate	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years
Average Future Service	16.56	16.77
Weighted Average Duration	4.86	5.33

Sensitivity Analysis

Gratuity	Change in assumptions	As at March 31, 2022	As at March 31, 2021
Discount rate	0.50%	(7.66)	(7.97)
	-0.50%	8.07	8.40
Salary Growth rate	0.50%	7.93	8.36
	-0.50%	(7.61)	(8.02)

The above sensitivity analysis is based on a change in assumption while holding all other assumption constant. In practice, this is unlikely to occur, and changes in some of the assumption may be co-related. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligations recognised in the balance sheet. The methods and type of assumption used in preparing the sensitivity analysis did not change compared to the prior period.

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Period	Gratuity
Within 1 yr	87.49
1-2 yrs	34.57
2-3 yrs	31.95
3-4 yrs	33.94
4-5 yrs	36.75
5-10 yrs	128.02
Above 10 yrs	122.48

Other Long Term Employee benefits

Compensated Absences

The obligation for compensated absences is recognised in the same manner as gratuity except remeasurement benefit which is treated as part of other comprehensive income. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2022 and March 31, 2021 is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Privileged Leave	113.51	111.30
Sick Leave	10.29	9.67
Average number of people employed	384	383

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

Risk analysis

Through its defined benefit plans, the Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and, management's estimation of the impact of these risks are as follows:

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India and the company does not have any liberty to manage the fund provided to them. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. in lakhs)

38 FINANCIAL INSTRUMENTS

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Fair Value through Profit and Loss Account				
Investments in Mutual Funds	557.60	557.60	539.04	539.04
Fair Value through Other Comprehnsive Income				
Investments in Equity Instruments	25.46	25.46	27.14	27.14
Financial Assets-At amortised cost				
Trade Receivables	154.05	154.05	144.94	144.94
Cash and Bank balances	219.36	219.36	141.31	141.31
Fixed Deposit with banks	176.21	176.21	236.65	236.65
Other Financial Assets	161.66	161.66	139.27	139.27
Total	1,294.34	1,294.34	1,228.35	1,228.35
Financial Liabilities (Current and Non-Current)				
Financial Liabilities-At amortised cost				
Borrowings- Floating Rate	291.57	291.57	-	-
Lease Obligations	350.28	350.28	407.90	407.90
Trade Payable	324.32	324.32	464.88	464.88
Other Financial Liabilities	15.72	15.72	27.41	27.41
Total	981.89	981.89	900.19	900.19

b) Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost in the financial statements approximate their fair values.
- The Company's long-term debt has been contracted at floating rates of interest. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.
- The Company's lease obligations have been considered based on the estimated cost of borrowing of the company.
- Investment in liquid and short-term mutual funds which are classified as fair value through profit and loss are measured using quoted market prices at the reporting date. Investment in unquoted equity shares have been valued based on the latest audited financial statements.

LODHA & CO. * KOLKATA * Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. in lakhs)

c) **Fair Value hierarchy**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021	Fair value measurements at reporting date using		
			Level 1	Level 2	Level 3
Financial Assets					
Investments in Mutual Funds	557.60	539.04	557.60 (539.04)	- -	- -
Investments in Equity Instruments	25.46	27.14	- -	- -	25.46 (27.14)
Fixed Deposit with banks	176.21	236.65	- -	176.21 (236.65)	- -
Financial Liabilities					
Borrowings- Floating Rate	291.57	-	- -	291.57 -	- -
Finance Lease Liabilities	350.28	407.90	- -	350.28 (407.90)	- -

During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

-Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the risk free rate of bonds.

-Financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. In respect of unquoted equity shares, the inputs used was the audited balance sheet for the year then available.

d) **FINANCIAL RISK MANAGEMENT**

The Company's activities are exposed to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Director's reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

MARKET RISK

Market risk is the risk or uncertainty arising from possible market fluctuation resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, investment in fixed deposits and mutual funds, finance lease obligations and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The predominant currency of the Company's revenue and operating cash flows is Indian Rupee (INR). However, during the course of operation it converts foreign currency into INR for International Customers based on the then prevailing rates as per the agreement entered with the Foreign exchange dealer.

Interest Rate Risk

The company exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing from the bank and from lease obligations which are fair valued at date of inception of lease agreement. Considering the same the carrying amount of said borrowing was considered to be at fair value.

Further there are deposits with banks which are for short term period are exposed to interest rate falling due for renewal. These deposits are however generally for trade purposes and as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings:

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase in 50 basis points Borrowings- Floating Rate	1.46	-

A decrease in 50 basis point would have an equal and opposite effect on the Company's financial statements.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. in lakhs)

Other price risk

The Company also invests in mutual fund schemes of leading fund houses. Such Investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such Investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated.

Financial assets that are neither past due nor impaired

Cash and cash equivalents and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The company relies on internal accruals to meet its fund requirement.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Interest rate and currency of borrowings

Particulars	As at March 31, 2022		As at March 31, 2021	
	Floating rate borrowings	Weighted average Interest Rate (%)	Floating rate borrowings	Weighted average Interest Rate (%)
INR	291.57	8.55%	-	-

The table provides undiscounted cash flow towards non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity based on the remaining period at balance sheet date to contractual maturity date.

Maturity Analysis of Financial Liabilities

As at March 31, 2022

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 Year	Total
Borrowings- Floating Rate	291.57	-	18.00	15.00	258.57	291.57
Trade Payable	324.32	324.32	-	-	-	324.32
Finance Lease Obligations	350.28	-	77.02	48.46	224.80	350.28
Other Financial Liabilities	15.72	-	14.10	-	1.62	15.72

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL.

(Rs. in lakhs)

As at March 31, 2021

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 Year	Total
Borrowings- Floating Rate	464.88	464.88	-	-	-	464.88
Trade Payable	407.90	-	43.84	13.78	350.28	407.90
Finance Lease Obligations	27.41	-	25.80	-	1.61	27.41
Other Financial Liabilities	-	-	-	-	-	-

The company has current financial assets which will be realised in ordinary course of business. Further it has significant retained surplus lying invested in fixed deposits and other liquid investments, the company ensures that it has sufficient cash on demand to meet expected operational expenses and obligations.

CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The gearing ratio as at March 31, 2022 and March 31, 2021 are as follows:

Gearing Ratio

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and borrowings	291.57	-
Cash and Cash Equivalent	395.57	377.96
Net Debt	(104.00)	(377.96)
Total equity attributable to the equity shareholders of the Company	9,835.88	10,628.08
Capital and net debt	9,731.88	10,250.12
Gearing Ratio	-	-

39 **RATIOS**

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	As at / For the year ended March 31, 2022	As at / For the year ended March 31, 2021	Variance	Remarks
Current Ratio	Current Assets	Current Liabilities	1.65	1.29	27.79%	
Debt-Equity ratio	Short Term Borrowings+ Long Term Borrwings+ Lease Liabilities	Total Equity	0.07	0.04	70.03%	Due to New Long Term Borrowing facility availed on account of liquidty due to Covid-19
Net profit margin	Profit after Tax+ Exceptional Items	Revenue from Operation	(0.06)	(0.54)	-89.05%	Due to COVID-19 restriction in the previous year
Return on capital employed	Earning before Interest and Tax+ Exceptional Items	Average Capital Employed (Capital Employed= Total Assets- Current Liabilities)	(0.04)	(0.09)	-56.56%	Due to COVID-19 restriction in the previous year

LODHA & CO. ★ KOLKATA ★ Chartered Accountants

PEERLESS HOTELS ... KOL...

(Rs. in lakhs)

Particulars	Numerator	Denominator	As at / For the year ended March 31, 2022	As at / For the year ended March 31, 2021	Variance	Remarks
Debt service coverage ratio	Earning before Interest, Depreciation and Tax+ Exceptional Items	Interest Expense+Principal Repayment of Long Term Debt+ Repayment of Lease Liabilities	(0.68)	(7.26)	-90.59%	Due to New Long Term Borrowing facility availed on account of liquidity due to Covid-19
Trade Receivable turnover ratio	Revenue from Operation	Average Trade Receivables	17.35	6.56	164.26%	Due to COVID-19 restriction in the previous year
Inventory turnover ratio	Revenue from operations less EBITDA	Average Inventory	-	-		Not Applicable for Service Industry
Return on Equity Ratio	Profit after Tax+ Exceptional Items	Total Equity	(0.02)	(0.06)	-75.39%	Due to COVID-19 restriction in the previous year
Trade payables turnover ratio	Total Purchases	Average Trade Payables including Operational Buyers' Credit / Suppliers' Credit	-	-		Not Applicable for Service Industry
Return on Investments	Income generated from investments	Time weighted average investments	0.03	0.05	-45.67%	Due to COVID-19, valuation of unquoted investment and in mutual fund were effected due to volatility in the market
Net capital turnover ratio	Revenue from operations	Working Capital	4.43	4.75	-6.87%	Due to COVID-19 restriction in the previous year

40 Calculation of Earning Per Share is as follows:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net Profit for basic and diluted earnings per share as per Statement of Profit and Loss		
Net Profit/ (Loss) for Basic and Diluted earnings per share	(796.44)	(1,621.92)
	(796.44)	(1,621.92)
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)		
Number of equity shares outstanding as on March 31	45,80,000.00	45,80,000.00
Weighted average number of equity shares considered for calculation of basic and diluted earnings per share	45,80,000.00	45,80,000.00
Earnings per share (EPS) of Equity Share of Rs. 10/- each:		
Basic EPS (Rs.)	(17.39)	(35.41)
Diluted EPS (Rs.)	(17.39)	(35.41)

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL

(Rs. in lakhs)

41 DISCLOSURE AS PER IND AS 116

The details of premises taken on lease by the company are as follows:

Particulars	Period of Lease	Expiry Date
PIK Tower I	33 Years	25-Mar-25
Girsih Park Outlet	10 Years	28-Feb-29
Dacres Lane Outlet	10 Years	15-Oct-27
Port Blair Resort	3 Years	31-Aug-23

i) Following are the changes in the carrying value of right of use assets:

Particulars	Buildings	
	As at March 31, 2022	As at March 31, 2021
Opening	357.15	598.80
Addition	-	38.32
Depreciation	(97.91)	(96.57)
Disposal/ Other Adjustments	-	(183.40)
Closing	259.24	357.15

ii) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	125.48	57.62
Non-current lease liabilities	224.80	350.28
Total	350.28	407.90

iii) The following is the movement in lease liabilities:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening	407.90	612.25
Additions	-	38.32
Finance cost accrued during the period	34.56	41.20
Deletions/ Other Adjustments	(92.18)	(191.02)
Payment of lease liabilities	-	(92.85)
Closing	350.28	407.90

iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	152.40	92.18
Later than one year and not more than five years	262.97	412.47
Later than five years	3.81	6.71

v) Further to above, the Company has certain operating lease arrangements for office, transit houses, furnitures and fixtures etc. on short-term leases and variable payment for long term leases. Expenditure incurred on account of rental payments under such leases during the year and recognized in the Profit and Loss account amounts to Rs. 14.62 lakhs (March 31, 2021: Rs. 6.70 Lakhs).

vi) During the year, the company has got approval from the shareholders of the holding company in respect of waiver of 100% of the rent in the Annual General Meeting held on September 24, 2021 effective from April, 2021 till March 31, 2022. Accordingly, in accordance with Ind AS 116, the company has recognised such modification gain amounting to Rs. 59.53 lakhs in the statement of Profit and Loss as "Net Gain on termination/Lease Modification of ROU Assets" and disclosed the same under Other Income.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS LTD. KOL.

(Rs. in lakhs)

42 Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on Capital Account (including for buying flat) and not provided for (net of advances of Rs. NIL (March 31, 2021: Rs. 218.64 lakhs))	-	145.73

43 **Segment Reporting**

The company's operates mainly in one business segment i.e. "Hotel Business" and all other activities revolve around the main activity and as such there are no other reportable segment as identified by the Chief Operating Officer of the company as required under Ind AS-108 .

44 **Impact due to global health pandemic - COVID-19**

a) The lockdown restrictions consequent to spread of COVID-19 even though not severe in this year has effected the operation of the company. During the first quarter of the year, the company witnessed softer revenue due to the second wave of COVID-19 and consequent lock down in several states across India. Also there was a third wave in the month of January 2022, resulting in restrictions in some states, which also impacted the revenue. However consequent toreduction in number of cases and easing of all restrictions, the company has witnessed recovery in travel and hospitality busines and this is expected to have significant improvement on the revenue of the company over the upcoming years till normalancy. The normlancy in hotel operations is driven by business travel, leisure tourism, stay vacations and overall improvement in business scenario both domestically and internationallly which as per current scenario is expected to materialise over a period of time.

The various measures taken by the company for rationalisng the costs etc.and pausing the capital expansion plan in the given circumstances and resultant volume of operations are still invouge. The company has obtained credit limits from banks and is also evaluating the possibility of monetising certain surplus, non-operating and non-viable assets and properties to raise additional resources and infuse liquidity in the system. The business projections based on internal and external informations and possible assumptions and estimates have accordingly been revised. The company has assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, ability to service debt if needed in future and other financing arrangements, supply chain and demand for its services and on the carrying value of various current and non-current assets as on March 31, 2022. Such estimates do not indicate any further material shortfall in value thereof. Considering the resources available and the financial position and steps taken to overcome the current situations, the going concern assumption over a period of one year is not expected to be vitiated. The Company will continue to closely monitor any material changes to future economic conditions and take necessary corrective measures.

b) The company had undertaken an exercise for arriving at value in use of cash generating units (CGUs) in the previous year ended March 31, 2021. The valuation as per the management's contention had been taken considering the best possible estimates amidst then prevailing uncertainities with respect to the future business operations. Based on such valuation and the fair value of the relevant assets, impairment of Rs. 951.91 lakhs with respect to recoverable value of Property, Plant and Equipment and Right of Use Assets as estimated in respect of one of the CGU had been recognised in the financial statements for the year ended March 31, 2021 and disclosed as "Exceptional Items". The amount of impairment has been further reviewed in the current year based on current operations and emerging business operations and projections and impairment of Rs. 643.83 lakhs with based on recoverable value of Property, Plant and Equipment and Right of Use Assets as estimated in respect of said CGU has been recognised in these financial statements and disclosed as "Exceptional Items". The said impairment will however be reviewed in the subsequent period depending upon the emerging business operations and projections thereof and required adjustments if any will be given effect to in the year of determination.

45 **Relationship with Struck-off Companies:** Based on information available with the company from the webiste of Ministry of Corporate Affairs, as far as ascertained from the available records and details, during the year no transactions have been undertaken with Struck-off companies. However, there was an outstanding amount of Rupees one hundered from one such company namely Club Suman Holidays Private Limited in respect of services provided in earlier years which has been written off.

46 **Additional information pursuant to ammendments (effective April 01, 2021) made in Schedule III to the extent applicable to the company (Other than those that have been disclosed under the respective Notes to the financial statements:**

A) Utilisation of borrowed funds and share premium

(i) The Company has not advanced or loaned or invested funds to any other persons or entities, 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.

(ii) The Company has not received any fund from any persons or entities, 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.

(B) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(C) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

LODHA & CO. KOLKATA Chartered Accountants

PEERLESS HOTELS

(Rs. in lakhs)

47 Schedule III to the Companies Act, 2013 vide notification dated March 24,2021 issued by Ministry of Corporate Affairs has been amended with effect from April 01, 2021 and these financial statement have been presented giving effect to the said amendments. Accordingly, comparative figures for the previous year have been regrouped wherever applicable to make them comparable with those of the current period's figure. However these due to the reasons stated in Note no. 44(a) are not comparable with the current year figures.

48 These financial statements have been approved by the Board of Directors of the Company on May 30, 2022, for issue to the shareholders for their adoption.

As per our report of even date

For Lodha & Co,
Chartered Accountants

Indranil Chaudhuri
Partner

Place: Kolkata
Dated: May 30, 2022

LODHA & CO. KOLKATA Chartered Accountants

For and on behalf of the Board

K.K.Chatterjee, Chief Financial Officer

S.Sen, Company Secretary

N.Saha, Director
(DIN No: 00397354)

K.Sen, Executive Director
(DIN No: 00207274)

PEERLESS HOTELS LTD. KOL